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CLASS D

WATER UTILITIES

U# 405-WTD  
SYSTEM 4600056

APR 1 2011

2010  
ANNUAL REPORT  
OF

SIERRA CITY WATER WORKS, INC

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

732 BUTLER ROAD, GRASS VALLEY, CALIFORNIA 95945

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

SIERRA CITY WATER WORKS, INC

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

732 BUTLER ROAD, GRASS VALLEY, CALIFORNIA 95945

(Official mailing address)

SIERRA CITY, SIERRA COUNTY

(Service Area - Town and County)

Telephone Number: 530-273-6647 Fax Number: 530-477-6253

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 12:00 AM incorporated in the State of CALIFORNIA  
 (B) Names, titles and addresses of principal officers: CHARLES K. SMITH – PRESIDENT  
WINBETH SMITH – SECRETARY/TREASURER  
732 BUTLER ROAD, GRASS VALLEY, CALIFORNIA 95945
2. If unincorporated provide the name and address of the owner(s) or the partners:  
 \_\_\_\_\_

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

4. Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) No  
 If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged?
5. State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent: N/A

**PUBLIC HEALTH STATUS**

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

	Yes	No	Latest Date
6.	X		
7.	X		
8.	X		04/25/96
9.			
10.			

11. List Name, Grade, and License Number of all Licensed Operators:  
CHARLES K. SMITH  
 \_\_\_\_\_  
 \_\_\_\_\_

**Excess Capacity and Non-Tariffed Services**

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

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed goods and services provided in calendar year 2010:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row No.	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue Derived From Non-Tariffed Goods/ Services (by account)	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

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

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

1. Current Fiscal Agent:

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

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

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

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

3. Summary of the bank account activities showing:

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

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

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

**SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2010)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liability	Balance
1	101	Water plant in service	266,104	201	Common Stock	1,000
2	101.1	SDWA Plant		211	Other paid-in	
3	103	Water plant held for future use		215	Retained earnings	-54,683
4	104	Water plant purchased or sold		218	Proprietary capital	
5	105	Water plant construction work in progress		224	Long term debt	144,956
6	108	Accumulated depreciation of water plant	-201,452		Current Liabilities	
7	114	Water plant acquisition adjustments		252	Advances from	
8	124	Other investments		253	Other deferred	
9	131	Cash	31,866	255	Accumulated	
10	141	Accounts receivable - customers		282	Accumulated	
11	142	Receivables from associated companies			depreciation	
12	151	Materials and supplies	4,000	283	Accumulated	
13	174	Other current assets		271	Contributions	9,245
14	180	Deferred charges		272	Accumulated	
15		<b>Total Assets</b>	<b>100,518</b>		<b>Equity and Liabilities</b>	<b>100,518</b>

**SCHEDULE B - WATER PLANT IN SERVICE**

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)	Balance End of year
1	301	Intangible plant	0				0
2	303	Land	37,541				37,541
3	304	Structures	0				0
4	307	Wells	0				0
5	317	Other water source plant	33,512				33,512
6	311	Pumping equipment	0				0
7	320	Water treatment plant	0				0
8	330	Reservoirs tanks and sandpipes	53,805				53,805
9	331	Water mains	52,647				52,647
10	333	Services and meter installations	0				0
11	334	Meters	8,507				8,507
12	335	Hydrants	20,357				20,357
13	339	Other equipment	17,190				17,190
14	340	Office furniture and equipment	4,430				4,430
15	341	Transportation equipment	38,115				38,115
16		<b>Total water plant in service</b>	<b>266,104</b>				<b>266,104</b>

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

**SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT**

Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
1	Balance in reserves at beginning of year	187,424		A. Method used to compute depreciation
2	Add: Credits to reserves during year	0		expense (Acct. 403) and rate.
3	(a) Charged to Account No. 272	0		
4	(b) Charged to Account No. 403	7,014		40yr s/l 2.5%
5	(c) Charged to Account No. 407	0		B. Amount of depreciation expense claimed
6	(d) Salvage recovered	0		or to be claimed on utility property in
7	(e) All other credits	0		your federal income tax return for the year
8	Total credits	7,014		covered by this report \$
9	Deduct: Debits to reserves during year	0		
10	(a) Book cost of property retired	0		
11	(b) Cost of removal	0		C. State method used to compute tax
12	(c) All other debits	0		depreciation.
13	Total debits	0		
14	Balance in reserve at end of year	201,452		
15	(1) Explanation of all other credits			
16	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2010)

Line				
1	Common - (Shares	\$	1000 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 - \$		C.K.SMITH 50%
4	- Preferred	Rate - \$		W. SMITH 50%

SCHEDULE E - LONG-TERM DEBTS

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
1	OWNERS				144,956			
2								
3								
4	Total							

SCHEDULE F - INCOME STATEMENT

1	Acct.	Operating revenues	
2	460	Unmetered water revenue	17,632
3	462	Fire protection revenue	2,405
4	465	Irrigation revenue	
5	470	Metered water revenue	31,629
6	475	Approved Total Surcharge Revenue(s)	
7	480	Other water revenue	
8		Total Revenue Received	51,666
9		Less: Revenue Deductions	
10		SDWBA/SRF surcharge revenue	
11		Total Operating Revenue	51,666
12		Operating expenses	
13	610	Purchased water	
14	615	Purchased power	
15	618	Other volume related expenses	
16	630	Employee labor	
17	640	Materials	3,909
18	650	Contract work	7,318
19	660	Transportation expenses	5,760
20	664	Other plant maintenance expense	418
21	670	Office salaries	
22	671	Management salaries	
23	674	Employee pensions and benefits	
24	676	Uncollectible accounts expense	
25	678	Office services and rentals	3,924
26	681	Office supplies and expense	
27	682	Professional services	2,031
28	684	Insurance	2,172
29	688	Regulatory commission expense	506
30	689	General expenses	1,427
31		Total Operating Expenses	27,465
32	403	Depreciation expense	7,014
33	407	SDWBA loan amortization expense	0
34	408	Taxes other than income taxes	2,108
35	409	State income tax expense	800
36	410	Federal income tax expense	0
37		Total Operating Revenue Deductions	37,387
38		Utility Operating Income	14,279
39	421	Non-utility income	92
40	426	Miscellaneous non-utility expense	145
41	427	Interest expense	0
42		Net Income	14,226



**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

**OTHER**

Streams or Springs Location of Diversion Point	Flow in Priority Right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
Sacred mound mine rd Sierra City 96125			100GPM	70GPM	
Purchased water (unit) Supplier:				Annual Quantity	

**SCHEDULE H - WATER DELIVERED TO METERED CUSTOMERS**  
(If figures are available) (specify unit)

Classification of Service	Month of Year		Total for Year
	Maximum	Minimum	
Residential			
Commercial			
Industrial			
Fire Protection			
Irrigation			
Other (specify)			
<b>Total</b>			

**SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION**

Line	Acct	Account	Number at End of Year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
1	630	Employee Labor	0			
2	670	Office salaries	1			
3	671	Management salaries	1			
4		Total	2			

**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	61	61
3/4-in	5	5
1-in	1	1
-in	2	2
-in		
<b>Total</b>	<b>69</b>	<b>69</b>

**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	59	20	79				59	20
Industrial/Commercial	10		10				10	
Irrigation								
Fire Protection (public)		1	1					1
Fire Protection (private)								
Other (specify)								
<b>Total</b>	<b>69</b>	<b>21</b>	<b>90</b>				<b>69</b>	<b>21</b>

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	Footages				Totals
				2" and under	2 1/4 to 3 1/4	4"	8" and 6" Other sizes (specify)	
Concrete			Cast Iron					
Earth			Welded steel	2,000				2,000
Wood			Standard screw					
Steel	30,000		Cement-asbestos					
Other	1,500		Plastic			800	4,500	6,800
	6,000		Other (specify)					
	5,000							
<b>Total</b>	<b>42,500</b>		<b>Total</b>	<b>2,000</b>		<b>800</b>	<b>4,500</b>	<b>8,800</b>

**FACILITY FEES DATA**

Please provide the following information relating to Facility Fees collected for the calendar year 2010, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name: BANK OF AMERICA  
 Address: GRASS VALLEY, CALIFORNIA  
 Account Number: -6716  
 Date Opened: \_\_\_\_\_

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

A. Commercial

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

B. Residential

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

3. Summary of the bank account activities showing:

	AMOUNT
Balance at beginning of year	\$9,148.00
Deposits during the year	_____
Interest earned for calendar year	17.00
Withdrawals from this account	_____
Balance at end of year	\$9,165.00

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

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

**DECLARATION**

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

I, the undersigned \_\_\_\_\_  
Officer, Partner, or Owner (Please Print)

of \_\_\_\_\_  
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 K. SMITH

Title (Please Print)

Charles K. Smith

Signature

530-273-6447

Telephone Number

03/31/11

Date