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2004  
ANNUAL REPORT  
OF  
DISTRICT WATER SYSTEM OPERATIONS  
OF

Southern California Water Company

(NAME OF CORPORATION)

Name of District: Desert

Location: Victorville, San Bernardino  
(TOWN OR CITY) (COUNTY)

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2004

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2005  
(FILE TWO COPIES IF THREE RECEIVED)

**SCHEDULE A -1a  
Utility Plant In Service**

Line No.	Acct. No.	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		<b>I. INTANGIBLE PLANT</b>					
2	301	Organization	711	0			711
3	302	Franchise & consents (Sch. A-1b)	101	0			101
4	303	Other intangible plant	59,516	52,122			111,638
5		<b>Total Intangible Plant</b>	<b>60,328</b>	<b>52,122</b>	<b>0</b>	<b>0</b>	<b>112,449</b>
6		<b>II. LANDED CAPITAL</b>					
7	306	Land and land rights	119,592	26,614			146,206
8		<b>III. SOURCE OF SUPPLY PLANT</b>					
9	311	Structure and improvements		0			
10	312	Collecting and impounding reservoirs		0			
11	313	Lake, river and other intakes		0			
12	314	Springs and tunnels		0			
13	315	Wells	469,702	0			469,702
14	316	Supply mains	25,006	0			25,006
15	317	Other source of supply plant		0			
16		<b>Total Source of Supply Plant</b>	<b>494,708</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>494,708</b>
17		<b>IV. PUMPING PLANT</b>					
18	321	Structures and improvements	181,308	0			181,308
19	322	Boiler plant equipment		0			
20	323	Other power production equipment		0			
21	324	Pumping equipment	1,933,046	185,792	(30,905)	543	2,088,476
22	325	Other pumping plant	8,973	0			8,973
23		<b>Total Pumping Plant</b>	<b>2,123,328</b>	<b>185,792</b>	<b>(30,905)</b>	<b>543</b>	<b>2,278,756</b>
24		<b>V. WATER TREATMENT PLANT</b>					
25	331	Structures and improvements	84,315	0			84,315
26	332	Water treatment equipment	153,950	26,456			180,406
27		<b>Total Water Treatment Plant</b>	<b>238,265</b>	<b>26,456</b>	<b>0</b>	<b>0</b>	<b>264,721</b>
28		<b>VI. TRANSMISSION AND DIST. PLANT</b>					
29	341	Structures and improvements	6,899	0			6,899
30	342	Reservoirs and tanks	874,311	16,915			891,226
31	343	Transmission and distribution mains	4,667,604	177,770	(4,038)		4,841,337
32	344	Fire mains		0			
33	345	Services	914,848	38,221	(792)		952,277
34	346	Meters	244,816	44,353			289,169
35	347	Meter installations		0			
36	348	Hydrants	665,631	58,367	(2,500)		721,498
37	349	Other transmission and distribution plant		0			
38		<b>Total Transmision &amp; Distribution Plant</b>	<b>7,374,110</b>	<b>335,627</b>	<b>(7,330)</b>	<b>0</b>	<b>7,702,406</b>
39		<b>VII. GENERAL PLANT</b>					
40		General Office Net Investment					
41	371	Structures and improvements	36,840	0			36,840
42	372	Office furniture and equipment	64,052	3,458			67,510
43	373	Transportation equipment	195,311	60,722	(53,895)		202,137
44	374	Stores equipment		0			
45	375	Laboratory equipment	394	0			394
46	376	Communication equipment	19,595	0			19,595
47	377	Power operated equipment	225,934	1,394			227,328
48	378	Tools, shop and garage equipment	34,395	3,606		(3,308)	34,693
49	379	Other general plant	0	0			0
50		<b>Total General Plant</b>	<b>576,522</b>	<b>69,178</b>	<b>(53,895)</b>	<b>(3,308)</b>	<b>588,497</b>
51		<b>VIII. UNDISTRIBUTED ITEMS</b>					
52	390	Other tangible property	1,164	0			1,164
53	391	Utility plant purchased	0	0			0
54	392	Utility plant sold	0	0			0
55		<b>Total Undistributed Items</b>	<b>1,164</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,164</b>
56		<b>Total Utility Plant In Service</b>	<b>10,988,015</b>	<b>695,788</b>	<b>(92,130)</b>	<b>(2,765)</b>	<b>11,588,907</b>

**SCHEDULE A-1d  
DISTRICT RATE BASE**

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		<b>RATE BASE</b>			
2					
3		Utility Plant			
4		Plant In Service	PG 1	11,588,907	10,988,015
5		Construction Work in Progress	PG 12	960,479	483,022
6		General Office Prorate			
7		<b>Total Gross Plant (Line 4 + Line 5 + Line 6)</b>		<b>12,649,386</b>	<b>11,471,037</b>
8					
9		Less Accumulated Depreciation			
10		Plant In Service	PG 5	4,115,201	3,900,636
11		General Office Prorate			
12		<b>Total Accumulated Depreciation (Line 10 + Line 11)</b>		<b>4,116,201</b>	<b>3,900,636</b>
13					
14		Less Other Reserves			
15		Deferred Income Taxes		894,222	836,334
16		Deferred Investment Tax Credit		42,676	44,908
17		Other Reserves			
18		<b>Total Other Reserves (Line 15 + Line 16 + Line 17)</b>		<b>936,898</b>	<b>881,242</b>
19					
20		Less Adjustments			
21		Contributions In Aid of Construction	PG 12	922,438	677,555
22		Advances for Construction		166,666	172,595
23		Other			
24		<b>Total Adjustments (Line 21 + Line 22 + Line 23)</b>		<b>1,089,104</b>	<b>850,150</b>
25					
26		Add Materials and Supplies	PG 12	32,113	33,864
27					
28		Add Working Cash (From Schedule A-1d(2))	PG 3	105,839	128,000
29					
		Add General Office, Regions, District office, CSA allocation		237,479	204,961
30					
31		<b>TOTAL RATE BASE</b>		<b>6,783,614</b>	<b>6,206,924</b>
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35		Note: Allocations from General Office to Regions, to District			
36		office to CSA is a one line item			
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**SCHEDULE A-1d (2)**  
**RATE BASE**  
**Working Cash Calculation**

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		Working Cash			
2					
3		<b>Determination of Operational Cash Requirement</b>			
4		1. Operating Expenses, Excl Taxes, Depr. & Uncoll.			
5		2. Purchased Power & Commodity for Resale*			
6		3. Meter Revenues: Bimonthly Billing			
7		4. Other Revenues: Flat Rate Monthly Billing			
8		5. Total Revenues (3 + 4)			
9		6. Ratio - Flat Rate to Total Revenues (4 / 5)			
10		7. $5/24 \times \text{Line 1} \times (100\% - \text{Line 6})$			
11		8. $1/24 \times \text{Line 1} \times \text{Line 6}$			
12		9. $1/12 \times \text{Line 2}$			
13		10. Operational Cash Requirement (7 + 8 - 9)		See Schedule attached	
14					
15					
16		* Electric power, gas or other fuel purchased for pumping and/or purchased commodity for resale billed after receipt (metered).			
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A.02-11-007 11/4/02  
 D.04-03-039 3/17/04

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**SOUTHERN CALIFORNIA WATER COMPANY  
 REGION 3 - DESERT**

**DEVELOPMENT OF AVERAGE LAG IN PAYMENT OF EXPENSES AND  
 TAXES AND ACCRUING DEPRECIATION**

	(a)	(b)	(c)	(d)
CPUC WUDF ACCOUNT DESCRIPTION		2003 PROPOSED (\$000's)	AVG. NO. OF DAYS LAG	THOUSAND DOLLAR-DAYS LAG
	<b>OPERATING EXPENSES:</b>			
1 70400	PURCHASED WATER	28.8	0.0	0.0
2 72800	POWER FOR PUMPING	152.7	11.9	1,817.2
3 73500	PUMP TAXES	25.6	25.8	856.2
4 74400	CHEMICALS	10.2	57.9	590.0
5 77300	COMMON CUSTOMER ACCOUNT	22.3	0.0	0.0
6 77325	POSTAGE	0.0	0.0	0.0
7 77500	UNCOLLECTIBLES	5.5	0.0	0.0
8 78000	OPERATION LABOR	296.6	12.5	3,707.1
9 78100	ALL OTHER OPERATION EXPENSES	87.4	22.4	1,957.8
10 78700	MAINTENANCE LABOR	118.3	12.5	1,479.2
11 78800	ALL OTHER MAINTENANCE EXPENSES	162.6	28.2	4,586.3
12 79200	OFFICE SUPPLIES AND EXPENSE	43.8	21.2	928.8
13 79300	PROPERTY INSURANCE	2.6	(168.0)	(430.2)
14 79400	INJURIES AND DAMAGES	26.1	(149.0)	(3,890.7)
15 79500	PENSIONS AND BENEFITS	56.6	10.0	566.0
16 79600	BUSINESS MEALS	0.4	21.7	8.7
17 79700	REGULATORY COMMISSION	21.1	28.0	591.1
18 79800	OUTSIDE SERVICES	1.2	25.3	31.2
19 79900	MISCELLANEOUS	0.8	31.1	23.8
20 79910	ALLOCATED GENERAL OFFICE	172.4	0.0	0.0
21 80500	ALL OTHER MAINT. GENERAL PLANT	0.8	29.0	23.2
22 81100	RENT	29.0	2.3	66.7
23 81500	A&G LABOR	50.8	12.5	634.7
24 50300	DEPRECIATION AND AMORTIZATION	296.7	0.0	0.0
25 50710	PROPERTY TAXES	44.6	40.0	1,782.9
26 50720	PAYROLL TAXES	36.8	4.0	147.2
27 50730	LOCAL TAXES	26.3	263.0	6,906.6
28	STATE INCOME TAX	59.0	96.0	5,661.3
29	FEDERAL INCOME TAX	272.1	106.0	28,844.1
30	TOTAL OPERATING EXPENSES	2,051.1		56,688.7
31	CPUC FEE ( 1.4% OF REVENUE)	38.4	90.0	3,458.1
32	TOTAL	2,089.5		60,146.8
33	AVERAGE LAG			27.64

**AVERAGE AMOUNT OF CASH REQUIRED AS A RESULT OF  
 PAYING EXPENSES, TAXES AND ACCRUING DEPRECIATION  
 IN ADVANCE OF COLLECTING REVENUES  
 (\$ In Thousands )**

34	(1) Avg. Lag in Collection of Revenues	46.13 days
35	(2) Avg. Lag in Payment of Expenses, Taxes and Accruing Depreciation	27.64 days
36	(3) Excess of Collection Lag over Payment Lag	18.49 days
37	(4) Total of Expenses, Taxes and Depreciation	\$2,089.5
38	(5) Daily Total of Expenses, Taxes and Depreciation	\$5.7
39	(6) Average Amount of Working Cash Capital Required as a Result of Paying Exp., Taxes and Depr'n in Advance of Collecting Revenues	\$105.8

NOTE: Schedule incorporate dollars (Accounts 793.00 Property Insurance, 794.00 injuries and Damages, and 795.00 Pension & Benefits) for Working Cash calculation - Dollars were used expressly for working cash calculation.

A. 98-03-034 3/18/98  
 D. 98-12-070 12/17/98

SOUTHERN CALIFORNIA WATER COMPANY  
 DESERT DISTRICT

DEVELOPMENT OF AVERAGE LAG IN PAYMENT OF EXPENSES AND  
 TAXES AND ACCRUING DEPRECIATION

(a)	(b)	(c)	(d)
CPUC WUDF ACCOUNT DESCRIPTION	1999 PROPOSED (\$000's)	AVG. NO. OF DAYS LAG	THOUSAND DOLLAR-DAYS LAG
OPERATING EXPENSES:			
70400 PURCHASED WATER	0.0	41.1	0.0
72800 POWER FOR PUMPING	143.4	30.0	4,302.3
73500 PUMP TAXES	35.3	110.6	3,906.9
74400 CHEMICALS	1.2	31.0	37.6
77300 COMMON CUSTOMER ACCOUNT	22.5	10.7	239.2
77325 POSTAGE	0.0	0.0	0.0
77500 UNCOLLECTIBLES	47.7	0.0	0.0
78000 OPERATION LABOR	289.0	12.5	3,362.1
78100 ALL OTHER OPERATION EXPENSES	77.0	26.8	2,063.6
78700 MAINTENANCE LABOR	76.0	12.5	949.5
78800 ALL OTHER MAINTENANCE EXPENSES	195.0	26.8	5,226.0
79200 OFFICE SUPPLIES AND EXPENSE	71.2	26.8	1,906.9
79300 PROPERTY INSURANCE	0.9	(112.0)	(102.2)
79400 INJURIES AND DAMAGES	13.2	(149.0)	(1,969.3)
79500 PENSIONS AND BENEFITS	48.2	48.0	2,314.9
79600 FRANCHISE REQUIREMENTS	2.8	26.8	75.1
79700 REGULATORY COMMISSION	7.8	26.8	209.0
79800 OUTSIDE SERVICES	1.0	26.8	27.7
79900 MISCELLANEOUS	4.3	26.8	114.6
79910 ALLOCATED GENERAL OFFICE	128.9	10.7	1,372.7
80500 ALL OTHER MAINT. GENERAL PLANT	10.8	26.8	283.7
81100 RENT	45.8	26.8	1,226.1
81500 A&G LABOR	88.5	12.5	831.3
50300 DEPRECIATION AND AMORTIZATION	221.4	0.0	0.0
50710 PROPERTY TAXES	49.8	40.0	1,983.3
50720 PAYROLL TAXES	33.4	4.0	133.6
50730 LOCAL TAXES	21.3	264.0	5,611.9
STATE INCOME TAX	39.2	129.3	5,068.1
FEDERAL INCOME TAX	184.2	76.7	14,124.6
TOTAL OPERATING EXPENSES	1,817.2		53,301.4
CPUC FEE ( 1.4% OF REVENUE)	32.8	90.0	2,938.5
TOTAL	1,849.8		56,237.9
			29.33
AVERAGE LAG ----->			*****

AVERAGE AMOUNT OF CASH REQUIRED AS A RESULT OF  
 PAYING EXPENSES, TAXES AND ACCRUING DEPRECIATION  
 IN ADVANCE OF COLLECTING REVENUES  
 ( \$ in Thousands )

(1) Avg. Lag in Collection of Revenues	54.58 days
(2) Avg. Lag in Payment of Expenses, Taxes and Accruing Depreciation	29.33 days
(3) Excess of Collection Lag over Payment Lag	25.25 days
(4) Total of Expenses, Taxes and Depreciation	\$1,849.8
(5) Daily Total of Expenses, Taxes and Depreciation	\$5.1
(6) Average Amount of Working Cash Capital Required as a Result of Paying Exp., Taxes and Depr'n in Advance of Collecting Revenues	\$128.0

Schedule incorporate dollars (Accounts 793.00 Property Insurance, 794.00 Injuries and Damages, and 795.00 Pension & Benefits) for Working Cash calculation - Dollars were used expressly for working cash calculation.

**SCHEDULE A-3a**  
**Analysis of Entries in Depreciation Reserve - Account No.250**

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 Excl. Cost Removal (d)	Salvage and Cost of Removal Net (dr.) or Cr. (e)	Balance End of Year (f)
6		I. SOURCE OF SUPPLY PLANT	0				0
7	311	Structure and improvements	0				0
8	312	Collecting and impounding reservoirs	0				0
9	313	Lake, river and other intakes	0				0
10	314	Springs and tunnels	0				0
11	315	Wells	(234,353)	(15,747)		0	(250,100)
12	316	Supply mains	(5,026)	(500)			(5,526)
13	317	Other source of supply plant	0				0
14		Total Source of Supply Plant	(239,379)	(16,247)	0	0	(255,626)
15		II. PUMPING PLANT					
16	321	Structures and improvements	(43,232)	(4,663)			(47,895)
17	322	Boiler plant equipment	0				0
18	323	Other power production equipment	0				0
19	324	Pumping equipment	(1,050,951)	(65,098)	30,905		(1,085,144)
20	325	Other pumping plant	(1,355)	(271)			(1,626)
21		Total Pumping Plant	(1,095,638)	(70,031)	30,905	0	(1,134,664)
22		III. WATER TREATMENT PLANT					
23	331	Structures and improvements	(28,729)	(2,273)			(31,002)
24	332	Water treatment equipment	(87,378)	(6,852)			(94,230)
25		Total Water Treatment Plant	(116,107)	(9,125)	0	0	(125,232)
26		IV. TRANS AND DIST. PLANT					
27	341	Structures and improvements	(2,604)	(188)			(2,792)
28	342	Reservoirs and tanks	(307,804)	(22,392)			(330,196)
29	343	Transmission and distribution mains	(1,260,845)	(106,385)	4,038	355	(1,382,817)
30	344	Fire mains	0				0
31	345	Services	(270,476)	(26,857)	792		(296,541)
32	346	Meters	(130,684)	(11,848)			(142,532)
33	347	Meter installations	0				0
34	348	Hydrants	(144,554)	(12,012)	2,500	200	(153,866)
35	349	Other transmission and distribution plant	0				0
36		Total Transmission & Distribution Plant	(2,116,967)	(178,662)	7,330	555	(2,288,744)
37		V. GENERAL PLANT					
38	371	Structures and improvements	(10,392)	(887)			(11,279)
39	372	Office furniture and equipment	(25,915)	(3,997)			(29,912)
40	373	Transportation equipment ( Beg. bal. adj'ted)	(136,558)	(7,620)	53,895	(3,693)	(93,876)
41	374	Stores equipment	0				0
42	375	Laboratory equipment	(394)				(394)
43	376	Communication equipment	(18,024)	(534)			(18,558)
44	377	Power operated equipment	(107,487)	(9,371)			(116,858)
45	378	Tools, shop and garage equipment	(19,576)	(1,426)			(21,002)
46	379	Other general plant	0				0
47	390	Other tangible property	(96)	(50)			(146)
48	391	Water plant purchased	0				0
49		Total General Plant	(318,442)	(23,896)	53,895	(3,693)	(292,126)
50		TOTAL	(3,886,433)	(298,949)	92,130	(3,138)	(4,096,390)

**SCHEDULE A-3**  
**Depreciation and Amortization Reserves**

Line No.	Item (a)	Account 250 Utility Plant 37,134	Acct. 251 Limited-Term Utility Investment 0	Acct. 252 Utility Plant Acquisition Adjustments	Account 253 Electric Other Property
1	Balance in reserves at beginning of year	3,886,433	14,203	0	0
2	Add: Credits to reserves during year				
3	(a) Charged to Account No. 503	260,624	4,608		
4	(b) Charged to Account No. 265	19,372			
5	(c) Charged to clearing accounts	18,953			
6	(d) Salvage recovered	3,693			
7	(e) All other credits				
8	<b>Total Credits</b>	<b>302,642</b>	<b>4,608</b>		
9	Deduct: Debits to reserves during year				
10	(a) Book cost of property retired	92,130			
11	(b) Cost of removal	555			
12	(c) All other debits				
13	<b>Total Debits</b>	<b>92,685</b>	<b>0</b>		
14	<b>Balance In Reserves at Year End</b>	<b>4,096,390</b>	<b>18,811</b>	<b>0</b>	<b>0</b>
15	State method of determining depreciation charges.	SLRL			
16					
17					
18	Report the depreciation claimed in your Federal Income Tax Return for the year \$		NOT AVAILABLE BY DISTRICT		
19	Indicate the nature of these items and show the accounts affected by the centre entries.				

**SCHEDULE B-1**  
**Operating Revenues**

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (b)	Net Change During Year Show Decrease in (Brackets) (d)
22		<b>I. WATER SERVICE REVENUES</b>			
23	601	Metered sales to general customers			
24	601.1	Commercial sales	1,959,073	1,932,609	26,464
25	601.2	Industrial sales			0
26	601.3	Sales to public authorities	14,821	16,192	(1,371)
27		<b>Sub-total</b>	<b>1,973,894</b>	<b>1,948,801</b>	<b>25,093</b>
28	602	Unmetered sales to general customers			
29	602.1	Commercial sales	2,548	1,872	676
30	602.2	Industrial sales			
31	602.3	Sales to public authorities	0	0	0
32		<b>Sub-total</b>	<b>2,548</b>	<b>1,872</b>	<b>676</b>
33	603	Sales to irrigation customers			
34	603.1	Metered sales			
35	603.2	Unmetered sales			
36		<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
37	604	Private fire protection service	1,170	1,230	(60)
38	605	Public fire protection service			
39	606	Sales to other water utilities for resale	527	496	31
40	607	Sales to governmental agencies by contracts			
41	608	Interdepartmental sales			
42	609	Other sales or service	8,138	6,725	1,413
43		<b>Sub-total</b>	<b>9,835</b>	<b>8,451</b>	<b>1,384</b>
44		<b>Total Water Service Revenue</b>	<b>1,986,277</b>	<b>1,959,124</b>	<b>27,153</b>
45					
46		<b>II. OTHER WATER REVENUES</b>			
47	611	Miscellaneous service revenue	4,503	4,200	303
48	612	Rent from water property	2,880	736	2,144
49	613	Interdepartmental rents			
50	614	Other water revenues	12,436	4,086	8,350
51		<b>Total Other Water Revenues</b>	<b>19,819</b>	<b>9,022</b>	<b>10,797</b>
52	501	<b>Total Operating Revenues</b>	<b>2,006,096</b>	<b>1,968,146</b>	<b>37,950</b>



## SCHEDULE B-2

Account No. 502 - Operating Expense - Class A, B, and C Water Utilities

Line No.	Acct. No.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During the Year (d)
			A	B	C			
1		<b>I. SOURCE OF SUPPLY EXPENSE</b>						
2		Operation						
3	701	Operation supervision and engineering	A	B		829	100,009	(99,180)
4		Supply cost balancing account						
5	702	Operation labor and expenses	A	B		1,174	303	871
6	703	Miscellaneous expenses	A			50	111	(61)
7	704	Purchased water and assessments	A	B	C	22,590	0	22,590
8		Maintenance						
9	706	Maintenance of supervision and engineering	A	B				
10	706	Maintenance of structures and facilities			C			
11	707	Maintenance of structures and improvements	A	B				
12	708	Maintenance of collect and impound reservoirs	A			2,232	2,709	(477)
13	708	Maintenance of source of supply facilities		B				
14	709	Maintenance of lakes, river and other intakes	A					
15	710	Maintenance of springs and tunnels	A					
16	711	Maintenance of wells	A			6,126	593	5,533
17	712	Maintenance of supply mains	A			417	11	406
18	713	Maintenance of other source of supply plant	A	B				
19		<b>Total Source of Supply Expense</b>				<b>33,418</b>	<b>103,738</b>	<b>(70,318)</b>
20		<b>II. PUMPING EXPENSES</b>						
21		Operation						
22	721	Operation supervision and engineering	A	B				
23	721	Operation supervision, labor and expenses			C	171	0	171
24	722	Power production labor and expenses	A					
25	722	Power production labor, expenses and fuel		B				
26	723	Fuel for power production	A					
27	724	Pumping labor and expenses	A	B		99,917	100,215	(298)
28	725	Miscellaneous expenses	A			15,849	16,250	(401)
29	726	Fuel or power purchased for pumping	A	B	C	151,959	185,124	(33,165)
30		Maintenance						
31	729	Maintenance supervision and engineering	A	B		397	0	397
32	729	Maintenance of structures and equipment			C			
33	730	Maintenance of structures and improvements	A	B		4,031	5,522	(1,491)
34	731	Maintenance of power production equipment	A	B				
35	732	Maintenance of pumping equipment	A	B		70,651	77,793	(7,142)
36	733	Maintenance of other pumping plant	A	B				
37		<b>Total Pumping Expenses</b>				<b>342,975</b>	<b>384,904</b>	<b>(41,929)</b>
38		<b>III. WATER TREATMENT EXPENSES</b>						
39		Operation						
40	741	Operation supervision and engineering	A	B		0	0	
41	741	Operation supervision, labor and expenses			C			
42	742	Operation labor and expenses	A			70,086	72,756	(2,670)
43	743	Miscellaneous expenses	A	B				
44	744	Chemical and filtering materials	A	B		19,820	15,021	4,799
45		Maintenance						
46	746	Maintenance supervision and engineering	A	B		158	174	(16)
47	746	Maintenance of structures and equipment			C			
48	747	Maintenance of structures and improvements	A	B		90	637	(547)
49	748	Maintenance of water treatment equipment	A	B		31,090	21,837	9,253
50		<b>Total Water Treatment Expenses</b>				<b>121,244</b>	<b>110,425</b>	<b>10,819</b>
51		<b>IV. TRANS. AND DISTRIB. EXPENSES</b>						
52		Operation						
53	751	Operation supervision and engineering	A	B		(16)	42	(58)
54	751	Operation supervision, labor and expenses			C			
55	752	Storage facilities expenses	A			1,336	476	860
56	752	Operation labor expenses		B				
57	753	Transmission and distribution line expenses	A			3,619	3,503	116
58	754	Meter expenses	A			10,807	10,604	203
59	755	Customer installations expenses	A			53,784	38,307	15,477
60	756	Miscellaneous expenses	A			61,732	50,059	11,673

## SCHEDULE B-2

## Account No. 502 - Operating Expense - Class A, B, and C Water Utilities

Line No.	Acct. No.	Account (a)	Class			Amount	Amount	Net Change
			A	B	C	Current Year (b)	Preceding Year (c)	During the Year (d)
1		Maintenance						
2	758	Maintenance supervision and engineering	A	B		0	0	
3	758	Maintenance of structures and plant			C			
4	759	Maintenance of structures and improvements	A	B				
5	760	Maintenance of reservoirs and tanks	A	B		4,914	6,161	(1,247)
6	761	Maintenance of trans. and distribution mains	A			183,928	204,246	(20,318)
7	761	Maintenance of mains		B				
8	762	Maintenance of fire mains	A					
9	763	Maintenance of services	A			70,839	77,853	(7,014)
10	763	Maintenance of other trans. and distribution plants		B				
11	764	Maintenance of meters	A			19,162	8,726	10,436
12	765	Maintenance of hydrants	A			5,343	6,290	(947)
13	766	Maintenance of miscellaneous plant	A					
14		<b>Total Transmission &amp; Distribution Expenses</b>				<b>416,448</b>	<b>406,287</b>	<b>9,181</b>
15		<b>V. CUSTOMER ACCOUNT EXPENSES</b>						
16		Transferred				25,476	24,949	527
17	771	Water Conservation Kit	A	B				
18	771	Superv., meter read., other customer acct. expenses			C	31,156	27,961	3,195
19	772	Meter reading expenses	A	B		99,486	92,198	7,288
20	773	Customer records and collection expenses	A			46,892	36,966	9,926
21	773	Customer records and accounts expenses		B				
22	774	Miscellaneous customer accounts expenses	A					
23	775	Uncollectible accounts	A	B	C	(1,845)	25,896	(27,741)
24		<b>Total Customer Account Expenses</b>				<b>201,186</b>	<b>207,870</b>	<b>(6,806)</b>
25		<b>VI. SALES EXPENSES</b>						
26		Operation						
27	781	Supervision	A					
28	781	Water conservation expenses		B	C			
29	782	Water Conservation	A			559	2,175	(1,616)
30	783	Advertising expenses	A			473	462	11
31	784	Miscellaneous sales expenses	A					
32	785	Merchandising, jobbing and contract work	A			0	0	
33		<b>Total Sales Expenses</b>				<b>1,032</b>	<b>2,637</b>	<b>(1,605)</b>
34		<b>VII. ADMIN. &amp; GENERAL EXPENSES</b>						
35		Allocation of A&G expenses				249,651	222,290	27,361
36	791	Administrative and general salaries	A	B	C	26,206	36,203	(9,997)
37	792	Office supplies and other expenses	A	B	C	63,048	53,537	9,511
38	793	Property insurance	A					
39	793	Property insurance, injuries and damages		B	C			
40	794	Injuries and damages	A			1,741	0	1,741
41	795	Employees pension and benefits	A	B	C	6,671	14,047	(7,376)
42	796	Business meals and training	A	B	C	7,261	4,216	3,045
43	797	Regulatory commission expenses	A	B	C	8,780	0	8,780
44	798	Outside services employed	A			6,240	5,852	388
45	798	Miscellaneous other general expenses		B				
46	798	Miscellaneous other general operation expenses			C			
47	799	Miscellaneous general expenses	A			357	661	(304)
48		Maintenance						
49	805	Maintenance general plant	A	B	C	581	3,351	(2,770)
50		<b>Total Administrative &amp; General Expenses</b>				<b>370,636</b>	<b>340,167</b>	<b>30,379</b>
51		<b>VIII. MISCELLANEOUS</b>						
52	811	Rents	A	B	C	24,906	26,265	(1,359)
53	812	Administrative expenses transferred-- Cr.	A	B	C			
54	813	Duplicate charges-- Customer Service Expense	A	B	C			
55		<b>Total Miscellaneous</b>				<b>24,906</b>	<b>26,265</b>	<b>(1,359)</b>
56		<b>Total Administrative &amp; General Expenses</b>				<b>395,442</b>	<b>366,422</b>	<b>29,020</b>
57		<b>Total Operating Expenses</b>				<b>1,510,724</b>	<b>1,582,361</b>	<b>(71,637)</b>

**SCHEDULE B - 4**  
**Taxes Charged During Year**

Line No.	Kind of Tax (a)	Total Taxes Charged During Year	DISTRIBUTION OF TAXES CHARGED			
			Water 507 (c)	Nonutility 521 (b)	Other (Electric) (c)	Capitalized (f)
1	Taxes on Real and Personal Property	37,262	37,262			
2	State Income Tax	9,582	9,582			
3	State Unemployment Insurance Tax	1,232	1,232			
4	Local Franchise Fees	23,001	23,001			
5	Federal Unemployment Insurance Tax	445	445			
6	Federal Insurance Contribution Act	36,651	36,651			
7	Federal Income Tax	10,548	10,548			
8	Pump Taxes	5,096	5,096			
9						
10						
11						
12						
13						
14	<b>Totals</b>	<b>123,817</b>	<b>123,817</b>	<b>0</b>	<b>0</b>	<b>0</b>

SCHEDULE D - 1 Sources of Supply and Water Developed									
STREAMS				FLOW IN				Annual Quantities Diverted CCF	Remarks
Line No.	Diverted Into	From Stream or Creek	Location of Diversion Point	Priority Right		Diversions			
				Claim	Capacity	Max.	Min.		
1									
2		NONE							
3									
4									
5									
WELLS							Pumping Capacity	Annual Quantities Pumped	Remarks
Line No.	At Plant	Location	Number	Dimensions	Depth to Water				
6									
7									
8	SEE ATTACHED SCHEDULE								
9									
10									
TUNNELS AND SPRINGS				FLOW IN		Annual Quantities Pumped	Remarks		
Line No.	Designation	Location	Number	Maximum	Minimum				
11									
12					NONE				
13									
14									
15									
Purchased Water for Resale									
16	Purchased from								
17	Annual quantities purchased from				SEE COMPANY SCHEDULE D-1				
18									
19									
SCHEDULE D - 2 Description of Storage Facilities									
Line No.	Type	Number	Combined Capacity	Remarks					
20	A. Collecting reservoirs								
21	Concrete								
22	Earth								
23	Wood	SEE ATTACHED SCHEDULE							
24	B. Distribution reservoirs								
25	Concrete								
26	Earth								
27	Wood								
28	C. Tanks								
29	Wood								
30	Metal								
31	Concrete								
32	Totals		0	0					

Plant Facility Index

Region: III  
 District: Mountain-Desert  
 CSA: Apple Valley  
 System: Apple Valley South

Plant	Major Facility	Year Built	Base Elev.	2004 Prod (AF)	Wells			Pumps			Tanks			Remarks		
					Depth (ft)	Casing Diam. (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)	Volume (MG)		Type	Material
Anoka	Well 1	1954	2941	0	504	12	200	V.T.	Elec.	30	250	340	0.50	Ground	W. Steel	Well through Pressure Tank to System
	Reservoir	1987	2941					E.S.	Elec.	10	155	160				Backup Generator
	Booster B	1987	2941					E.S.	Elec.	20	400	150				Resv to Anoka Zone
	Booster C	1987	2941					V.T.	Elec.	40	300	390				Resv to Anoka Zone
Bear Valley	Well 2	1965	2984	0	280	12	230	V.T.	Elec.							Well to System through PRV
Mesquite	Well 5	1954	2955	0	500	12	200	V.T.	Elec.	40	300	320				Well to pressure tank to System
Mohawk	Well 2	1988	3023	476	585	16	282	V.T.	Elec.	75	900	260				Well to Mohawk Reservoir
	Well 3A	1950	3023	334	494	16	262	V.T.	Elec.	100	550	410				Well to System through PRV
	Reservoir	1986	3023					E.S.	Elec.	10	155	160	0.30	Ground	W. Steel	All Boosters pump to Mohawk Zone
	Booster A	1986	3023					E.S.	Elec.	10	155	160				
	Booster B	1986	3023					E.S.	Elec.	20	400	150				
	Booster C	1986	3023					E.S.	Elec.	76	500	150				
	Booster D	1986	3023					E.S.	Gas							
Pahute	Interconnection	1989	2976	0												Interconnect w/ AVRWC
Powhattan	Interconnection	1987	2942	0							1000					Interconnect w/ AVRWC

Plant Facility Index

Region: III  
 District: Mountain-Desrt  
 CSA: Apple Valley  
 System: Desert View

Plant	Major Facility	Year Built	Base Elev.	2004 Prod (AF)	Wells		Pumps			Tanks			Remarks	
					Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)		Volume (MG)
Desert View	Well 1	1977	3052	9	427	10	378	Subm.	Elec.	15	84	520		Well to system
	Well 2 Pressure Tank	1999	3052	21									0.0015	Well to system Backup Generator

Plant Facility Index

Region: III  
 District: Mountain-Desert  
 CSA: Apple Valley  
 System: Apple Valley North

Plant	Major Facility	Year Built	Base Elev.	2004 Prod (AF)	Wells		Pumps			Tanks			Remarks			
					Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)		Volume (MG)	Type	Material
Central Tanks	NW Reservoir		3225									0.042	Elev. Resv	B. Steel	Floats on Tank Zone	
	SE Reservoir		3225									0.050	Elev. Resv	W. Steel	Floats on Tank zone	
Central Wells	Well 2	1982	2960	109	12	230										Well to System
	Well 7		2960	0	12	221										Out of Service
Papago	Well 1	1987	2986	254	14	271.5										Well to System
Yucca	Booster A		3083													Pumps from Tank Zone to Yucca Booster Zone

Plant Facility Index

Region: Ill  
 District: Mountain-Desert  
 CSA: Apple Valley  
 System: Lucerne Valley

Plant	Major Facility	Year Built	Base Elev.	2004 Prod (AF)	Wells		Pumps				Tanks			Remarks		
					Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)	Volume (MG)		Type	Material
Carson	Booster A		3230						H.S.C.	Elec.	30	135	450			Standby Use. Sutter Zone to Pitzer Butte Zone
Meb	Well 1		3290	27	480	10	292		V.T.	Elec.	10	70	304			Well to Forebay
	Forebay	1973	3290						H.S.C.	Elec.	40	200	400		B. Steel	Pumps to System
	Booster A		3290						E.S.	Elec.	3	100	72			Pitzer Butte Zone to Mesa Booster Zone
Mesa	Booster A	1988	3540													Floats on Pitzer Butte Zone
Pitzer Butte	Reservoir	1985	3620													
Sutter	Well 7	1952	3140	5	403	12	242		V.T.	Elec.	30	200	375			Well to System through pressure tank
	Pressure Tank															
Topaz	Well 1	1980	3400	169	515	16	400		Subm.	Elec.	40	150	655			Well to System



Plant Facility Index

Region: III  
 District: Mountain-Desert  
 CSA: Morongo Valley  
 System: Morongo del Norte

Plant	Major Facility	Year Built	Base Elev.	2004 Prod (AF)	Wells			Pumps				Tanks			Remarks
					Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)	Volume (MG)	Type	
Elm	Well 24	1957	2730	0	272	14	189	V.T.	Elec.	15	90	440			Well to System through PRV
Highway Navajo	Well 3	1991	2708	68	200	10	180	V.T.	Elec.	15	100	398			Well to System
	Booster A	1980	2916					E.S.	Elec.	5	35	120			Booster A & B pump through pressure tank to Booster Zone
	Booster B	1980	2916					E.S.	Elec.	5	35	120			Booster Zone
	Reservoir	1977	2940										0.0417	Elev. Resv	Floats on Navajo Tank Zone
	Pressure Tank	1980	2916										0.001	Pressure	Steel

Plant Facility Index

Region: III  
 District: Mountain-Desert  
 CSA: Morongo Valley  
 System: Morongo del Sur

Plant	Major Facility	Year Built	Base Elev.	2004 Prod (AF)	Wells			Pumps			Tanks			Remarks	
					Depth (ft)	Casing Diam (in)	Column Setting	Pump Type	Energy Type	Size (HP)	Design Flow (gpm)	Design Head (ft)	Volume (MG)		Type
Maccelle	Reservoir	1983	2945									0.250	Elev. Resv	W. Steel	Floats on Maccelle Tank Zone
Mojave	Reservoir	1992	2690									0.100	Elev. Resv	B. Steel	Booster A & B pump through PRV to Maccelle Tank Zone
	Booster A Booster B	1987 1965	2690 2690						25 40	200 200	300 300				
Juniper	Booster A	1978	2820						15	150					Booster A & B pump to Pinon Reservoir Zone
	Booster B	1978	2820						15	120					
Pinon	Forebay	1986	3050									0.022	Elev. Resv	B. Steel	Floats on Pinon Reservoir Zone
	Booster A Booster B		3050 3050						5 5	40 38	250 250				
Hilltop	Reservoir	1986	3300									0.083	Elev. Resv	B. Steel	Floats on Hilltop Zone
	Booster A Booster B	1988 1988	2820 2820						1.5 1.5	30 30	70 70				
Yeager-Vale	Well 2	1970	2540	0	12	120			40	310	330				Well to System
	Well 3	1982	2540	301	12	80			40	300	330				

SCHEDULE D - 3

Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES

Capacities in Cubic Feet per Second or Miner's Inch

Line No.		0 to 5	5 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	Totals	0	0	0	0	0	0	0	0

A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES - concluded

Capacities in Cubic Feet per Second or Miner's Inch

Line No.		101 to 200	201 to 300	301 to 200	401 to 500	501 to 750	751 to 1000	Over 1000	TOTAL
6	Ditch								
7	Flume								
8	Lined conduit								
9									
10	Totals	0	0	0	0	0	0	0	0

B. FOOTAGE OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING

Line No.		1	1 1/2	2	3	4	5	5 1/2	6	8
11	Cast iron					50			362	
12	Ductile iron					74			438	741
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard steel	46	153	7,435	6,022	104,133	208	8,560	58,434	24,482
17	Screw or welded casing									
18	Cement - asbestos					34,706			78,963	18,256
19	Polyvinylchloride			320		1,057			4,720	23,194
20	Wood									
21	Plastic			83		65			6,161	5,700
22	Other					23				
23	Totals	46	153	7,838	6,022	140,108	208	8,660	149,078	72,373

B. FOOTAGE OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - concluded

Line No.		10	12	14	16	18	20	24	36	TOTAL
24	Cast iron	365	72							849
25	Ductile iron									1,253
26	Concrete									0
27	Copper									0
28	Riveted steel									0
29	Standard steel	10,527								220,000
30	Screw or welded casing									0
31	Cement - asbestos	3,709								135,634
32	Polyvinylchloride	143	26,132							55,566
33	Wood									0
34	Plastic									12,009
35	Unclassified								1,854	1,877
36	Totals	14,744	26,204	0	0	0	0	0	1,854	427,188

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

Classification	Metered - Dec. 31		Flat Rate - Dec. 31	
	Prior Year	Current Year	Prior Year	Current Year
Commercial	3,478	3,633	6	7
Industrial				
Public authorities	9	9		
Irrigation				
Other	3	4		
<b>Sub-total</b>	<b>3,490</b>	<b>3,646</b>	<b>6</b>	<b>7</b>
Private fire connections			4	4
Public fire hydrants				
<b>Total</b>	<b>3,490</b>	<b>3,646</b>	<b>10</b>	<b>11</b>

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

Size	Meters	Services	
5/8 x 3/4 - in.	3,712	3,712	
3/4 - in.			
1 - in.	80	80	
1 1/2 - in.	3	3	
2 - in.	34	26	
3 - in.	11	9	
4 - in.	1	1	
6 - in.			
Other			
Unclass			
<b>Total</b>	<b>3,841</b>	<b>3,831</b>	

A. Number of meter tested during year as prescribed in Section VI of general order # 103:	
1 New, after being received: Q	
2 Used, before repair: Q	
3 Used, after repair: Q	
4 Found fast, requiring billing adj. Q	
B. Number of meters in service since last test:	
1 Ten years or less: Q	
2 More than 10, but less than 15 yr.: Q	
3 More than 15 years: Q	

**SCHEDULE D - 6**  
**Meter Testing Data**

**SCHEDULE D - 7**  
**Water delivered to Metered Customers by Months and Years in CCF units**

Classification of Service	During Current Year							Subtotal
	January	February	March	April	May	June		
Commercial	34,326	31,818	33,519	43,904	51,310	59,145	254,022	
Industrial							0	
Public Authorities	178	174	194	239	304	307	1,396	
Irrigation							0	
Other	132	153	99	159	208	213	964	
<b>Totals</b>	<b>34,636</b>	<b>32,145</b>	<b>33,812</b>	<b>44,302</b>	<b>51,822</b>	<b>69,665</b>	<b>266,382</b>	

Classification of Service	During Current Year							Subtotal	Total	Prior Year
	July	August	September	October	November	December				
Commercial	72,803	70,864	68,282	56,978	41,933	38,528	349,388	603,410	560,933	
Industrial							0	0	0	
Public Authorities	317	398	605	445	327	150	2,242	3,638	3,906	
Irrigation							0	0	0	
Other	447	637	243	191	129	156	1,803	2,767	2,073	
<b>Totals</b>	<b>73,567</b>	<b>71,899</b>	<b>69,130</b>	<b>57,614</b>	<b>42,389</b>	<b>38,834</b>	<b>353,433</b>	<b>609,815</b>	<b>566,912</b>	

1 Quantity units to be in hundred of cubic feet, thousands of gallons, acre-feet, or miner inch-dz Total Acres Irrigated Total Population Served 14,828

## End of Year Balance in Selected Accounts

Indicate the end of year balance shown in the district's accounting records for the following accounts:

131	Materials and supplies on hand	\$	<u>32,113</u>
100.3	Construction work in progress	\$	<u>960,479</u>
241	Advances for construction	\$	<u>194,975</u>
285	Contribution in aid of construction	\$	<u>922,438</u>

Name of District Manager: Perry Dahlstrom

Address: 13608 Hitt Road; Apple Valley, CA 92308

Telephone: 760/247-0911

This report sets forth book or allocated figures and other data pertaining to the Desert district for the period from January 1, 2004 to December 31, 2004.

  
Signature

Controller

Title  
5/4/05  
Date