

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

STONE CREEK WATER COMPANY, INCORPORATED

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

72-810 AMBROSIA STREET, PALM DESERT, CALIFORNIA 92260

(Official mailing address)

Allendale Riverside County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

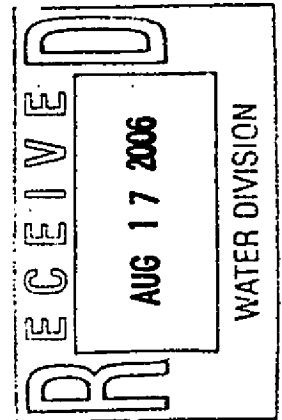
- If a corporation show: JULY 15,
(A) Date of organization 1995 incorporated in the State of California
(B) Names, titles and addresses of principal officers: Leonard Weston, Pres. Carolyn Weston, Tres.
72-810 Ambrosia Street, Palm Desert, CA, 92260
- If unincorporated give the name and address of owner or of each partner:
- Name and telephone number of:
(A) One person listed above to receive correspondence: Leonard Weston (760) 880-2002
(B) Person responsible for operations and services: Robin Wood (951) 659-1966
- 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?
- 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

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

Yes	No	Latest Date
	?	
X		
X		

SPECIAL INSTRUCTIONS (over)



Account Number	Operating Revenue	
470	Metered	9,871
460	Unmetered	960
465	Irrigation	
462-480	Private Fire Protection	3,000
	Other	
	Total Revenue	13,831
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	1,264
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	185
650	Contract Work	1,552
	Water Testing	853
660	Transportation Expense	2,583
664	Other Plant Maintenance	
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	
676	Uncollectables	
678	Office Service and Rentals	
681	Office Supplies and Expense	1,412
682	Professional Services	485
684	Insurance	2,055
688	Regulatory Expense	
689	General Expense	596
	Subtotal	11,425
403	Depreciation Expense	1,581
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than Income	
409	State Income Tax	800
410	Federal Income Tax	
	Total Deductions	13,806
	Net Revenue	25
	Rate Base	

	Average Plant	
	Average Depreciation Reserve	
	Net Plant	
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work In Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	Rate Base	
	ROR=Net Rev/Rate Base	

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

20_____
(continued)

NAME OF UTILITY Stone Creek Water Co. PHONE (760) 880-2002

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	<u>3960</u>
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	<u>9871</u>
27	Total Operating Revenue	<u>13,831</u>
28	<u>Operating Expenses</u>	_____
29	Depreciation Expense (Composite Rate _____)	_____
30	Amortization and Property Losses	_____
31	Property Taxes	_____
32	Taxes Other Than Income Taxes	_____
33	Total Operating Revenue Deduction Before Taxes	_____
34	California Corp. Franchise Tax	<u>600</u>
35	Federal Corporate Income Tax	_____
36	Total Operating Revenue Deduction After Taxes	_____
37	Net Operating Income (Loss) - California Water Operations	_____
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	_____
39	Income Available for Fixed Charges	_____
40	Interest Expense	<u>341</u>
41	Net Income (Loss) Before Dividends	_____
42	Preferred Stock Dividends	_____
43	Net Income (Loss) Available for Common Stock	_____

OTHER DATA		
44	Refunds of Advances for Construction	_____
45	Total Payroll Charged to Operating Expenses	_____
46	Purchased Water	_____
47	Power	<u>1264</u>

<u>Active Service Connections</u>		(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections		15	16	15.5
49	Flat Rate Service Connections		3	3	3
50	Total Active Service Connections		<u>18</u>	<u>19</u>	<u>18.5</u>

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 20⁰⁵)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	52,711	201	Common Stock (Corporations only)	16,381
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	60,000
3	104	Water plant purchased or sold		215	Retained earnings	-84,320
4	105	Water plant construction work in progress		218	Proprietary capital	
5	106	Accumulated depreciation of water plant	(9,940)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	7607
7	124	Other investments		252	Advances for construction	
8	131	Cash	529	253	Other deferred credits	
9	141	Accounts receivable - customers		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		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	43,300		Total Equity and Liabilities	43,300

(40,688)

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct.	Title of Account	Balance Beg of Year	PII Additions During year	PII Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land					
18	304	Structures	18,976				18,976
19	307	Wells	5,669				5,669
20	317	Other water source plant					
21	311	Pumping equipment	5,015				5,015
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes					
24	331	Water mains					
25	333	Services and meter installations					
26	334	Meters		935	20		935
27	335	Hydrants					
28	339	Other equipment	768				768
29	340	Office furniture and equipment	1,255				1,255
30	341	Transportation equipment	17,793	2,300			20,093
31		Total water plant in service	49,476	3,235			52,711

* 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			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			
35	(b) Charged to Account No. 272			
36	(c) Charged to clearing 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 §
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation.
44	Total debits			
45	Balance in reserve at end of year	9,940		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2005)

Line	Common - (Shares	Rate - \$	par)	List persons owning more than 5% of outstanding stock
1	100%	\$	par)	and number of shares owned by each: Leonard + Carolyn Weston
2	Preferred - (Shares	\$	par)	
3	Dividends - Common	Rate - \$		
4	- Preferred	Rate - \$		

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5								
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxx0000x
10	480 Unmetered water revenue	960
11	482 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	9871
14	480 Other water revenue	3000
15	Total Operating Revenue	13831
16	Operating revenue deductions	xxxxxx0000x
17	Operating expenses	xxxxxx0000x
18	810 Purchased water	
19	815 Power	1264
20	818 Other volume related expenses	
21	630 Employee labor	
22	840 Materials	
23	650 Contract work	2405
24	880 Transportation expenses	2583
25	664 Other plant maintenance expense	325
26	670 Office salaries	
27	671 Management salaries	
28	674 Employee pensions and benefits	
29	678 Uncollectible accounts expense	
30	678 Office services and rentals	
31	681 Office supplies and expense	1412
32	682 Professional services	785
33	684 Insurance	2055
34	688 Regulatory commission expense	
35	689 General expenses	596
36	Total Operating Expenses	11425
37	403 Depreciation expense	2125
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	13300
43	Utility Operating Income	575.25
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	341
47	Net Income	1229.50

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
23570 Hwy 243	1	8"	450'	300	
" " "	2	6"	315'	300	

OTHER None

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted (Unit)	
	Priority right	Diversions		
	Claim	Capacity	Max	Min
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			

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

None

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				

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	18	
1-in		
2-in	1	
4-in		
Total		

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	14	2	16		2	2	14	2
Industrial	2	1	3				2	1
Other (specify)								
Subtotal								
Fire protection (Hydrants)								
Total	16	3					16	3

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	2" and	2 1/4 to	4"	6"	Other sizes (specify)	Totals
				under	3 1/4				
Concrete			Cast Iron			1 mile			
Earth			Welded steel						
Wood			Standard screw						
Steel	1	50,000	Cement-asbestos						
Other			Plastic						
			Other (specify)						
			PVC				750'		
Total			Total			1 mile	750'		1 mile

750'

DECLARATION

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

I, the undersigned (officer, partner or owner) of Stone Creek 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

From and including 01/01/05, 20 to and including 12/31/05, 20

Leonard J. Weston, RD
Signed

President

Title

08/14/06

Date