

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

2001
ANNUAL REPORT
OF

SERENO DEL MAR WATER COMPANY

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

P O BOX 457

FORESTVILLE

CA

95436-0457

(OFFICIAL MAILING ADDRESS)

.ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2001

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002
(FILE TWO COPIES IF THREE RECEIVED)

INSTRUCTIONS

1. One completed copy of this report (two copies if three received) must be filed **NOT LATER THAN MARCH 31**, following the year covered by the report, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298**

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 the last page, must be signed by an 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.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

**Summary of Earnings
Test Year 2001**

Account Number	Operating Revenue	
470	Metered	57,108
460	Unmetered	687
465	Irrigation Other	45
462-480	Private Fire Protection	
	Total Revenue	57,840
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	3,948
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	1,393
650	Contract Work	24,900
	Water Testing	2,984
660	Transportation Expense	
664	Other Plant Maintenance	
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	
676	Uncollectables	
678	Office Service and Rentals	1,589
681	Office Supplies and Expense	1,474
682	Professional Services	8,661
684	Insurance 496 P/L	2,450
688	Regulatory Expense	1,285
689	General Expense	108
	Subtotal	48,792
403	Depreciation Expense	3,295 (PUC)
	Ad Valorem Taxes	
405/427	Payroll taxes	1,200
408	Taxes other than income	400
409	State Income Tax	800
410	Federal Income Tax	
	Total Deductions	54,487
	Net Revenue	* 3,353 = 6.15%
	Rate Base	
	Average Plant	
	Average Depreciation Reserve	3,295
	Net Plant	
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	Rate Base	
	ROR=Net Rev/Rate Base	

* Operating ratio method authorized 14.46%
\$3,353 is 6.15% of operating costs & depreciation

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Sereno Del Mar Water Company

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

P O Box 457

(Official mailing address)

Forestville, CA 95436-0457

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

1 If a corporation show:

(A) Date of organization 1971 incorporated in the State of California

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

2 If unincorporated give the name and address of owner or of each partner: Hal Wood, President

Jamie Dunton, Secretary

P O Box 730

3 Name and telephone number of:

Forestville, CA 95436

(A) One person listed above to receive correspondence: Hal Wood 707-887-7735 rruwater@aol.com

(B) Person responsible for operations and services: Jamie Dunton

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)

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? Contract operation & maintenance

Russian River Utility acct # 650

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:

Russian River Utility & Sereno Del Mar Water Company

PUBLIC HEALTH STATUS

6 Has state or local health department inspection been made during the year?

Yes	No	Latest Date
X		12/01
X		
X		7/7/99
N/A		
N/A		

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.

SPECIAL INSTRUCTIONS (over)

**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:

Name: California Bank & Trust
Address: 1331 Broadway, Sacramento, CA 95818
Phone Number: 916-443-5761 fax 916-446-1289
Date Hired: 4-12-01

2. Former Fiscal Agent:

Name: N/A
Address: _____
Phone Number: _____
Date Hired: _____

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

\$ 12,468.15 * * \$11,082 deposited 2-14-02

4. Summary of the trust bank account activities showing:

Balance at beginning of year	\$ 0
Deposits during the year	<u>4,519.</u>
Withdrawals made for loan payments	<u>0</u>
Other withdrawals from this account	<u>5.</u>
Balance at end of year	<u>4,514.</u>

5. Account information:

Bank Name: California Bank & Trust
Account Number: 1030054509
Date Opened: 4-12-01

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		20,000			20,000
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures		50,000			50,000
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment		5,000			5,000
10	320	Water treatment plant		150,000			150,000
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains		25,000			25,000
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		250,000			250,000

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 20__)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	587,994	201	Common Stock (Corporations only)	29,450
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	88,700	224	Long term debt	259,146
6	114	Water plant acquisition adjustments			Current Liabilities	17,971
7	124	Other investments		252	Advances for construction	
8	131	Cash		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	169,600
14				272	Accumulated amortization of contributions	
15		Total Assets	499,294		Total Equity and Liabilities	499,294

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	34,604	20,000			54,604
17	303	Land					
18	304	Structures	2,871	50,000			52,871
19	307	Wells	10,566				10,566
20	317	Other water source plant	4,020				4,020
21	311	Pumping equipment	12,153	5,000			17,153
22	320	Water treatment plant	8,900	150,000			158,900
23	330	Reservoirs tanks and sandpipes	176,827				176,827
24	331	Water mains	65,473	25,000			90,473
25	333	Services and meter installations	13,566	2,000			15,566
26	334	Meters	1,357				1,357
27	335	Hydrants	5,025				5,025
28	339	Other equipment	632				632
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	335,994	252,000			587,994

* 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	85,405		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			2.5% x 131,700 = \$3,295/yr
35	(b) Charged to Account No. 272			D-99-10-005
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	3,295		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	88,700		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2001)

Line	Common - (Shares	2945	, \$	10	par)	29,450		List persons owning more than 5% of outstanding stock
1	Common - (Shares	2945	, \$	10	par)	29,450		List persons owning more than 5% of outstanding stock
2	Preferred - (Shares		, \$		par)			and number of shares owned by each:
3	Dividends - Common	Rate - \$						Russian River Utility 100%
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	Loan	4-1-97		14,300	4,804	8%	575 *	0
6	Loan cash flow	2001		30,000	0		1,200	1,200
7								
8	Totals							

*Line 5-Accumulated interest 1999 \$858.00; 2,000 \$954; 2001 \$575; total \$2,387.00

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	57,108
14	480 Other water revenue	732
15	Total Operating Revenue	57,840
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Power	3,948
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	1,393
23	650 Contract work	24,900
24	660 Transportation expenses	
25	664 Other plant maintenance expense	2,984
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	1,589
31	681 Office supplies and expense	1,474
32	682 Professional services	8,661
33	684 Insurance	2,450
34	688 Regulatory commission expense	1,285
35	689 General expenses	108
36	Total Operating Expenses	48,792
37	403 Depreciation expense	3,295
38	407 SDWBA loan amortization expense	0
39	408 Taxes other than income taxes	400
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	53,287
43	Utility Operating Income	
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	1,200
47	Net Income	3,353

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
Well	1	6	20	8	0.380
	3	48	12	20	0.824
	4	48	8	20	2.020
	5	6	30	5	0.166
	6	6	30	5	0.260

OTHER

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted (Unit)
	Priority right	Diversions	
Spring-side hill well	1	7	1.60
Purchased water (unit)			Annual quantity
Supplier:			5.25 mg

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

Classification of service	Max. mo. Mo. of June	Min. mo. Mo. of Feb	Total for year
Residential & business	0.418	0.210	3.69 mg
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			

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	N/A	Contract Services		
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	110	
3/4-in		
1-in	34	
-in		
-in		
Total	144	

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year		
1	Used, before repair...	0
2	Used, after repair	0
3	Fast, requiring refund ..	0
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	115		115	29		29	144	
Industrial								
Other (specify)								
Subtotal	115		115	29		29	144	
Fire protection (Hydrants)		20	20					20
Total	115	20	135	29		29	144	20

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	Pipe Sizes				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete			Cast Iron					
Earth			Welded steel					
Wood	2	90,000	Standard screw					
Steel	1	212,000	Cement-asbestos			450	16,100	16,550
Other plastic	1	4,800	Plastic	5000	2000			7,000
stainless	1	2,800	Other (specify)					
Total	2	309,600	Total	5000	2000	450	16,100	23,550

DECLARATION

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

I, the undersigned (officer, partner or owner) of Sereno Del Mar 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 Jan 1, 2001, to and including Dec 31, 2001



Signed President

Title MARCH 22, 2002

Date