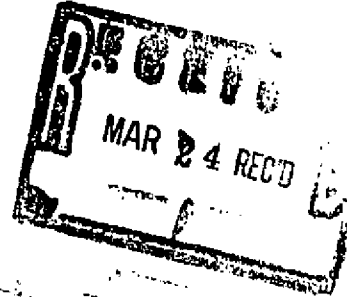


Received _____
Examined _____

**CLASS D  
WATER UTILITIES**

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



**2002  
ANNUAL REPORT  
OF**

SERENO DEL MAR WATER COMPANY

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

POBOX 457

FORESTVILLE, CA

95436-0457

(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2002**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2003  
(FILE TWO COPIES IF THREE RECEIVED)

**Summary of Earnings  
Test Year 2002**

Account Number	Operating Revenue	
470	Metered	82,945
460	Unmetered	
465	Irrigation	
462-480	Private Fire Protection	164
	<b>Total Revenue</b>	<b>83,109 *</b>
	<b>Operating Expenses</b>	
610	Purchased Water	
615	Purchased Power	5,473
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	805
650	Contract Work	23,540
	Water Testing	
660	Transportation Expense	
664	Other Plant Maintenance	6,045
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	
676	Uncollectables	
678	Office Service and Rentals	1,543
681	Office Supplies and Expense	5,122
682	Professional Services	8,125
684	Insurance	2,237
688	Regulatory Expense	1,715
689	General Expense	50
	<b>Subtotal</b>	<b>54,655</b>
403	Depreciation Expense	2,657
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than income	3,510
409	State Income Tax	800
410	Federal Income Tax	
	<b>Total Deductions</b>	<b>61,622</b>
427	Interest Expense	26,997
	<b>Net Revenue</b>	<b>&lt; 5,510 &gt; **</b>
	<b>Rate Base</b>	
	Average Plant	
	Average Depreciation Reserve	
	Net Plant	
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	<b>Rate Base</b>	
	<b>ROR=Net Rev/Rate Base</b>	

\* Included SDWBA  
Surcharge

\*\* Operating ratio method authorized 14.46%  
 $0.1446 \times 61,622 = \$8,910$  authorized net income  
 Deficiency =  $\$8,910 + \$5,510 = \$14,420$  (Propose GRC 2003)

# 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

SONOMA COUNTY

(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; James Dunton, Secretary  
P O Box 730, Forestville, CA 95436-0730
- 3 Name and telephone number of:
  - (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 707-887-7735
- 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 with Russian River Utility - account # 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 and Sereno Del Mar Water Company

### 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		12-01
X		
X		7-7-99
N/A		
N/A		

**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: 1321 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:

\$ 18,243.

4. Summary of the trust bank account activities showing:

Balance at beginning of year	<u>\$ 4,514.16</u>
Deposits during the year	<u>25,835.05</u>
Withdrawals made for loan payments	<u>9,752.38</u>
Other withdrawals from this account	<u>147.66</u>
Balance at end of year	<u>20,744.49</u>

5. Account information:

Bank Name: California Bank & Trust  
Account Number: 10-300545-09  
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		<b>NON-DEPRECIABLE PLANT</b>					
2	301	Intangible plant	20,000				20,000
3	303	Land					
4		Total non-depreciable plant					
5		<b>DEPRECIABLE PLANT</b>					
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<sup>02</sup>)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	611,517	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	59,030
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	91,995	224	Long term debt	240,242
6	114	Water plant acquisition adjustments			Current Liabilities	1,200
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	189,600
14				272	Accumulated amortization of contributions	
15		<b>Total Assets</b>	<b>519,522</b>		<b>Total Equity and Liabilities</b>	<b>519,522</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	54,604				54,604
17	303	Land					
18	304	Structures	52,871				52,871
19	307	Wells	10,566	8,663			19,229
20	317	Other water source plant	4,020				4,020
21	311	Pumping equipment	17,153				17,153
22	320	Water treatment plant	158,900				158,900
23	330	Reservoirs tanks and sandpipes	176,827	1,330			178,157
24	331	Water mains	90,473				90,473
25	333	Services and meter installations	15,566				15,566
26	334	Meters	1,357	4,310			5,667
27	335	Hydrants	5,025				5,025
28	339	Other equipment	632	9,220			9,852
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		<b>Total water plant in service</b>	<b>578,994</b>	<b>23,523</b>			<b>611,517</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	88,700		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 expensa 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	91,995		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2002)**

Line	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 - \$						
	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	1,200			
6								
7								
8	Totals							

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	82,945
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	
14	480 Other water revenue	164
15	Total Operating Revenue	83,109
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Power	5,473
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	805
23	650 Contract work	23,540
24	660 Transportation expenses	
25	664 Other plant maintenance expense	6,045
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	1,543
31	681 Office supplies and expense	5,122
32	682 Professional services	8,125
33	684 Insurance	2,237
34	688 Regulatory commission expense	1,715
35	689 General expenses	50
36	Total Operating Expenses	54,659
37	403 Depreciation expense TRS	2,657
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	3,510
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	61,622
43	Utility Operating Income	21,487
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	26,997
47	Net Income	5,510

**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	5	0.3
	3	48	12	20	0.9
	4	48	8	20	2.0
	4B	6	30	3	0.3
	5	6	30	2	0.1
	6	6	30	5	0.2
	7	6	30	5	0.0
	8	6	30	4	0.0

**OTHER**

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted (Unit)
	Priority right	Capacity	Max	Min	
Side Hill Well	1	7	7	1	0.6
Purchased water (unit)					Annual quantity
Supplier:					4.4 mg

**SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS**

(If figures are available) (specify unit)

Classification of service	Max. mo. Mo. of Sep	Min. mo. Mo. of Feb	Total for year
Residential & business	0.506	0.216	4.4 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				
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	144	
3/4-in		
1-in	4	
-in		
-in		
<b>Total</b>	<b>148</b>	

### SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1 Used, before repair...	10
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	117		117	31		31	148	
Industrial								
Other (specify)								
Subtotal	117		117	31		31	148	
Fire protection (Hydrants)		20	20					20
<b>Total</b>	<b>117</b>		<b>137</b>	<b>31</b>		<b>31</b>	<b>148</b>	<b>20</b>

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

### SCHEDULE N - STORAGE FACILITIES

Description	No.	Combined capacity in gallons
Concrete		
Earth		
Wood	2	90,000
Steel	1	212,000
Other		
Plastic	1	4,800
Stainless	1	2,800
<b>Total</b>	<b>5</b>	<b>309,600</b>

### SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	Totals
Concrete					
Earth					
Wood					
Steel			450	16100	16,550
Other	5000	2000			7,000
Plastic					
Stainless					
<b>Total</b>	<b>5000</b>	<b>2000</b>	<b>450</b>	<b>16100</b>	<b>23,550</b>

### 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 January 1, 2002, to and including December 31, 2002

Signed

President

Title

Date

MARCH 19, 2003