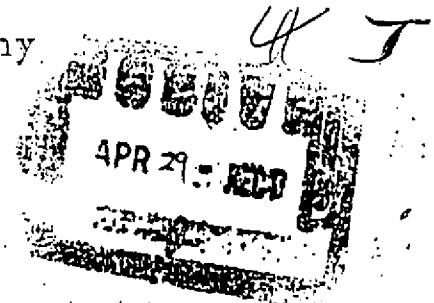


Sereno Del Mar Water Company

P.O. Box 457 • Forestville, CA 95436-0457
Phone (707) 887-7735 • Fax (707) 887-9445



April 26, 2004

Ken Louie
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

re: Sereno Del Mar Water Company
System 49-00647
Annual Report 2003

Dear Mr. Louie:

The attached Annual Report includes payments for the SRF loan # SRF
1997C307.

Yours very truly,

Hal Wood

enc.

4/5

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

2003
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, 2003

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2004
(FILE TWO COPIES IF THREE RECEIVED)

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; Jamie 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 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 and 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	8/02
X		
X		9/3/02
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:

\$ _____

4. Summary of the trust bank account activities showing:

Balance at beginning of year	\$ 20,744.
Deposits during the year	<u>21,352.</u>
Withdrawals made for loan payments	<u>15,980.</u>
Other withdrawals from this account	<u>< 1,659.></u>
Balance at end of year	<u>27,775.</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		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

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

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	622,317	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	20,740
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	95,290	224	Long term debt	230,237
6	114	Water plant acquisition adjustments			Current Liabilities	2,000
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	244,600
14				272	Accumulated amortization of contributions	
15		Total Assets	527,027		Total Equity and Liabilities	527,027

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	19,229	12,400	12,400		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	178,157	6,000			184,157
24	331	Water mains	90,473				90,473
25	333	Services and meter installations	15,566				15,566
26	334	Meters	5,667	3,500			9,167
27	335	Hydrants	5,025	13,000			18,025
28	339	Other equipment	9,852				9,852
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	611,517	23,200	<12,400>		622,317

* 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	91,995		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			$2.5\% \times 131,700 = 3.295/\text{yr}$
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	95,290		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2003)

Line

1	Common - (Shares 2,945 , \$ 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	N/A							
6								
7								
8	Totals							

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	62,218
14	480 Other water revenue	3,033
15	Total Operating Revenue	65,251
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	600
19	615 Power	5,238
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	1,506
23	650 Contract work	25,720
24	660 Transportation expenses	
25	664 Other plant maintenance expense	4,962
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	4,004
31	681 Office supplies and expense	2,376
32	682 Professional services	7,108
33	684 Insurance	4,145
34	688 Regulatory commission expense	771
35	689 General expenses	143
36	Total Operating Expenses	56,573
37	403 Depreciation expense	3,295
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	5,456
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	66,124
43	Utility Operating Income	<873>
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	<873>

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	48	12	20	1.0
	4	48	8	20	1.0
	4B	6	30	3	0
	5	6	30	2	0
	6	6	30	5	0
	7	6	30	5	0
	8	6	30	4	0

OTHER

Streams or springs location of diversion point	Flow in (Unit)		Divisions		Annual quantities diverted (Unit)
	Priority right		Max	Min	
Side hill well	1	7	7	1	0.2
Purchased water (unit)					Annual quantity
Supplier: Carnet springs					3.5 MC
Total Prod					5.8

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	July	0.46	3.9
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			3.9

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	No employees			
49	670	Office salaries				
50	671	Management salaries				
51		Total				

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	41,631
Additions during year	55,000
Subtotal - Beginning balance plus additions during year	96,631
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	33,861
Balance end of year	62,770

SCHEDULE K - TOTAL METERS AND SERVICES (active and inactive)

Size	Meters	Services
5/8 x 3/4-in	114	
3/4-in		
1-in	45	
-in		
-in		
Total	159	

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year		
1	Used, before repair...	3
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	119		119	40		40	159	
Industrial								
Other (specify)								
Subtotal	119		119	40		40	159	
Fire protection (Hydrants)		23	23					23
Total	119	23	142	40		40	159	23

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 under				Totals
				2 1/4 to 3 1/4	4"	Other sizes (specify)		
Concrete			Cast Iron					
Earth			Welded steel					
Wood	2	90,000	Standard screw					
Steel		212,000	Cement-asbestos			450	16,550	
Other			Plastic	5,000	2,000		7,000	
Plastic	1	5,100	Other (specify)					
	1	4,800						
Stainless		2,800						
Total		314,700	Total	5,000	2,000	450	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 January 1, 2003, to and including December 31, 2003


 Signed H.E. Wood

Title President
 Date 4/27/04

7/7