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CLASS D  
WATER UTILITIES

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



2004  
ANNUAL REPORT  
OF

**SERENO DEL MAR WATER COMPANY**

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

**PO BOX 457 FORESTVILLE, CA**

**95436-0457**

(OFFICIAL MAILING ADDRESS)

ZIP

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)

## 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 calander year, from Janauary 1 through December 31. Fiscal year reports will not be accepted.

Account Number	Operating Revenue	
470	Metered	71,672
460	Unmetered	NONE
465	Irrigation	NONE
462-480	Private Fire Protection +	14,245
	<b>Total Revenue</b>	<b>85,917</b>
	<b>Operating Expenses</b>	
610	Purchased Water	600
615	Purchased Power	4,548
	Pump Taxes	NONE
	Purchased Chemicals	NONE
618	Other Vol. Related exp.	NONE
630	Employee Labor	NONE
640	Materials	6,039
650	Contract Work	27,264
	Water Testing	NONE
660	Transportation Expense	NONE
664	Other Plant Maintenance	6,032
670	Office Salaries	NONE
671	Management Salaries	NONE
674	Employee Pensions and Benefits	NONE
676	Uncollectables	NONE
678	Office Service and Rentals	4,244
681	Office Supplies and Expense	3,491
682	Professional Services	10,331
684	Insurance	7,024
688	Regulatory Expense	749
689	General Expense	NONE
	<b>Subtotal</b>	<b>70,322</b>
403	Depreciation Expense	3,295
	Ad Valorem Taxes	NONE
	Payroll taxes	NONE
408	Taxes other than income	7,510
409	State Income Tax	800
410	Federal Income Tax	NONE
	<b>Total Deductions</b>	<b>81,927</b>
	<b>Net Revenue</b>	<b>3,990</b>
	<b>Rate of Margin</b>	<b>5.70%</b>

# 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)

**PO BOX 457 FORESTVILLE, CA 95436-0457**

(Official mailing address)

**SERENO DEL MAR & GLEASON BEACH SUDIVISION**

(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: **RUSSIAN RIVER UTILITY COMPANY**
  
- 3 Name and telephone number of: **HAL WOOD, PRESIDENT; JAMES DUNTON, SECRETARY  
PO BOX 730 FORESTVILLE, CA 95436**  
 (A) One person listed above to receive correspondence:  
 (B) Person responsible for operations and services:
  
- 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  
 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 FOR OPERATION AND MAINT. WITH 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?
- 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	Aug-02
X		
X		9/3/2002
N/A		
N/A		

**SPECIAL INSTRUCTIONS (over)**

## **SPECIAL INSTRUCTIONS**

- 1 Beginning of year balances must agree with end of year balances shown in report for previous year.  
Attach a supplementary statement to explain any differences.
  - 2 Attach a supplementary statement to explain adjustments in Schedule B - Water Plant in Service.
  - 3 Complete all schedules, using the words "None" or "Not applicable" if appropriate.
  - 4 Report must be prepared legibly in ink or by typewriter.
-

**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 5818  
Phone Number: 916-443-5761; FAX: 916-446-1289  
Date Hired: 04-12-01

2. Former Fiscal Agent:

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

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

\$ NONE

4. Summary of the trust bank account activities showing:

Balance at beginning of year	<u>\$24,774.73</u>
Deposits during the year	<u>18,956.12</u>
Withdrawals made for loan payments	<u>-15,980.32</u>
Other withdrawals from this account	<u>0.73</u>
Balance at end of year	<u>30,751.26</u>

5. Account information:

Bank Name: CALIFORNIA BANK AND TRUST  
Account Number: 10-300545-09  
Date Opened: 04-12-01

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

**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2004)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	635,117	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	27,245
4	105	Water plant construction work in progress	-	218	Proprietary capital	-
5	108	Accumulated depreciation of water plant	98,585	224	Long term debt	230,237
6	114	Water plant acquisition adjustments	-		Current Liabilities	-
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	249,600
14				272	Accumulated amortization of contributions	-
15		<b>Total Assets</b>	<b>636,532</b>		<b>Total Equity and Liabilities</b>	<b>636,532</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	19,229	12,800	-	-	32,029
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	184,157	-	-	-	184,157
24	331	Water mains	90,473	-	-	-	90,473
25	333	Services and meter installations	15,566	-	-	-	15,566
26	334	Meters	9,167	-	-	-	19,167
27	335	Hydrants	18,025	-	-	-	18,025
28	339	Other equipment	9,852	-	-	-	9,852
29	340	Office furniture and equipment	-	-	-	-	-
30	341	Transportation equipment	-	-	-	-	-
31		<b>Total water plant in service</b>	<b>622,817</b>	-	-	-	<b>635,117</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	95,290	-	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 \$ n/a
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. n/a
44	Total debits	-	-	
45	Balance in reserve at end of year	98,585	-	
46	(1) Explanation of all other credits	-	-	
47	(2) Explanation of all other debits	-	-	



**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2004)**

Line	Common - (Shares 2945, \$ 10 par)	2945	List persons owning more than 5% of outstanding stock and number of shares owned by each:
1	Common - (Shares 2945, \$ 10 par)	2945	
2	Preferred - (Shares n/a, \$ )		
3	Dividends - Common Rate - \$ n/a		
4	- Preferred Rate - \$ n/a		

**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
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	71,672
14	480 Other water revenue	14,245
15	Total Operating Revenue	85,917
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	600
19	615 Power	4,548
20	618 Other volume related expenses	-
21	630 Employee labor	-
22	640 Materials	6,039
23	650 Contract work	27,264
24	660 Transportation expenses	-
25	664 Other plant maintenance expense	6,032
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	4,244
31	681 Office supplies and expense	3,491
32	682 Professional services	10,331
33	684 Insurance	7,024
34	688 Regulatory commission expense	749
35	689 General expenses	-
36	Total Operating Expenses	70,322
37	403 Depreciation expense	3,295
38	407 SDWBA loan amortization expense	-
39	408 Taxes other than income taxes	7,510
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	-
42	Total Operating Revenue Deductions	81,927
43	Utility Operating Income	3,990
44	421 Non-utility income	-
45	426 Miscellaneous non-utility expense	-
46	427 Interest expense	-
47	Net Income	-

**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
WELLS	1	6	20	5	0
	48	6	30	3	0
	6	6	30	2	0
	6	6	30	5	0
	7	6	30	5	0
	8	6	30	5	0
	9	6	84	6	0

**OTHER**

Streams or springs location of diversion point	Flow in		(Unit) Divisions		Annual quantities diverted
	Priority right	Capacity	Max	Min	
	Claim	Capacity	Max	Min	(Unit)
SIDE HILL WELL	1	7	7	1	600,000
WELL 3	1	20	20	1	854,000
WELL 4	1	20	20	1	1,300,000
					2,755,000
Purchased water (unit)					
Supplier: CARMET SPRINGS					Annual quantity
GALLONS					4,250,000
<b>GALLONS - TOTAL PRODUCTION</b>					<b>7,005,000</b>

**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	0.45		4.2 MG
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total	0.45		4.2 MG

**SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION**

Line	Acct	Account	Number at end of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts
48	630	Employee Labor NO EMPLOYEES			
49	670	Office salaries			
50	671	Management salaries			
51		Total			

24-Mar-05

ALLOWABLE PROFIT (RATE OF MARGIN) CLASS D 25%

0.25 X OPERATING EXPENSES = 0.25 X 70,332 = 17,580

RATE OF MARGIN 3,990/70,322 = 5.7% (2004)

**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

Balance beginning of year	62,770
Additions during year	5,000
Subtotal - Beginning balance plus additions during year	67,790
Refunds	NONE
Transfers to Acct. 271 - Contributions in Aid of Construction	12,874
Balance end of year	54,896

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

Size	Meters	Services
5/8 x 3/4-in	112	
3/4-in	-	
1-in	45	
-in	-	
-in	-	
<b>Total</b>	<b>157</b>	

**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		Metered	
Residences	118	-	118	39	-	39	157	-
Industrial	-	-	-	-	-	-	-	-
Other (specify)	-	-	-	-	-	-	-	-
Subtotal	118	-	118	39	-	39	-	-
Fire protection (Hydrants)	-	23	23	-	-	-	-	23
<b>Total</b>	<b>118</b>	<b>23</b>	<b>141</b>	<b>39</b>	<b>-</b>	<b>39</b>	<b>157</b>	<b>23</b>

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	-	212,000	Cement-asbestos	-	-	450	16,100	16,500
Other	-	-	Plastic	5,000	2,000	-	-	7,000
PLASTIC	2	10,000	Other (specify)	-	-	-	-	-
STAINLESS	1	4,800						
<b>Total</b>		<b>316,800</b>	<b>Total</b>	<b>5,000</b>	<b>2,000</b>	<b>450</b>	<b>16,100</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 **SERENDO 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, 2004**, to and including **DECEMBER 31, 2004**

  
Signed  
**PRESIDENT (H. E. WOOD)**

Title  
**4-12-2005**

Date

# Sereno Del Mar Water Company

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

April 12, 2005

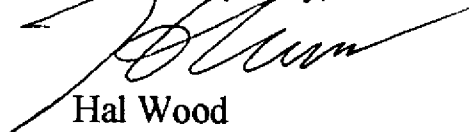
Ken Louie  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102-3298

**RE: SERENO DEL MAR WATER COMPANY  
ANNUAL REPORT 2004**

Dear Mr. Louie,

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

Yours very truly,



Hal Wood

enc.