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**CLASS D
WATER UTILITIES**

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UTILITY, AUDIT, FINANCE AND
COMPLIANCE BRANCH
DIVISION OF WATER AND AUDIT

**2009
ANNUAL REPORT
OF**

SERENO DEL MAR WATER COMPANY

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

PO BOX 457

FORESTVILLE

CA

95436

(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2009**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2010

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INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2010**, with:

CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS
ATTN: KAYODE KAJOPAIYE
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298
kok@cpuc.ca.gov

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 Page12, must be signed by an authorized officer, partner, or owner.
4. The report must be prepared in ink, typed or computer generated.
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 flow 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. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2009, through December 31, 2009. Fiscal year reports will not be accepted.

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 AND GLEASON BEACH SUBDIVISION

(Service Area - Town and County)

Telephone Number: 707-887-7735 Fax Number: 707-887-9445

Email Address: rruwater@sonic.net

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)
RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

1. If a corporation show:
(A) Date of organization 1969 incorporated in the State of CALIFORNIA
(B) Names, titles and addresses of principal officers:

2. If unincorporated provide the name and address of the owner(s) or the partners:

3. Name, title, and telephone number of:
(A) One person listed above to receive correspondence: **HAL WOOD, PRESIDENT, 707-887-7735**
(B) Person responsible for operations and services: **JAMES DUNTON, SECRETARY, 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) **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? **MANAGEMENT/OPERATIONS. PAYMENTS TO RUSSIAN RIVER UTILITY ACCOUNTS 650, 682, 681 AND 678**

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

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	
X		
X		
		N/A
		N/A

11. List Name, Grade, and License Number of all Licensed Operators:
- | | | | | | |
|---------------------|------------------|------------------|-------------------------|------------------|------------------|
| HAL WOOD | T-3 10693 | D-1 14485 | GREG PASSALACQUA | T-1 30916 | D-1 36086 |
| JAMES DUNTON | T-2 13417 | D-1 16230 | | | |
| MATT PEYER | T-2 19331 | D-1 16231 | | | |

Excess Capacity and Non-Tariffed Services

NOTE: In D.00-07-018, D.03-04-028, and D. 04-12-023, the CPUC set forth rules and requirements regarding water utilities provision of non-tariffed services using excess capacity. These decisions require water utilities to: 1) file an advice letter requesting Commission approval of that service, 2) provide information regarding non-tariffed goods/services in each company's Annual Report to the Commission.

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed goods and services provided in calendar year 2009:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row No.	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue Derived From Non-Tariffed Goods/ Services (by account)	Revenue Account Number	Total Expenses Incurred to Provide Non-Tariffed Goods/ Services (by Account)	Expense Account Number	Advice Letter and/or Resolution Number Approving Non-Tariffed Goods/ Services	Total Income Tax Liability Incurred Because of Non-Tariffed Goods/ Services (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-Tariffed Goods/ Services (by Account)	Regulated Asset Account Number
	Treat Carmet. Water @ SDMWC treatment plant.		11,563	481.1	615,650,689		N/A	N/A	N/A	N/A	N/A

**FOR ALL WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA**

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) or Safe Drinking Water State Revolving Fund loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent:

Name: **CALIFORNIA BANK & TRUST**
 Address: **PO BOX 268, SACRAMENTO, CA 95812-0268**
 Phone Number: **1-916-443-5731**
 Account Number: **1030054509**
 Date Hired: **4/12/2001**

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

Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
\$10,260.00 (SDM)		
Remainder from Carmet-by-the-Sea Mutual Water Company.		
3/4 inch	109	6.75
1 inch	17	6.75
1 1/2 inch		
2 inch		
3 inch		
4 inch		
6 inch		
Number of Flat Rate Customers	47 (inactive)	6.75
Total	173	

3. Summary of the bank account activities showing:

Balance at beginning of year	\$43,704.83
Deposits during the year	17,275.60
Interest earned for calendar year	102.85
Withdrawals from this account	16,160.32
Balance at end of year	44,922.96

4. Reason or Purpose of Withdrawal from this bank account:

PAY SEMI-ANNUAL STATE REVOLVING FUND LOAN AND FEES TO FISCAL AGENT.

FOR ALL WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (Continued)

5. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA or SRF 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 (AS OF DECEMBER 31, 2009)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	699,400	201	Common Stock (Corporations only)	139,250
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	115,000	224	Long term debt <u>SRF - 1997C307</u>	170,150
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	
14				272	Accumulated amortization of contributions	275,000
15		Total Assets	584,400		Total Equity and Liabilities	584,400

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
1	301	Intangible plant	54,604				54,600
2	303	Land					
3	304	Structures	52,871				52,900
4	307	Wells	32,029				32,000
5	317	Other water source plant	4,020	30,792			34,800
6	311	Pumping equipment	19,793	1,186			21,000
7	320	Water treatment plant	162,456				162,500
8	330	Reservoirs tanks and sandpipes	184,157				184,200
9	331	Water mains	90,473				90,500
10	333	Services and meter installations	26,045				26,000
11	334	Meters	12,953				13,000
12	335	Hydrants	18,025				18,000
13	339	Other equipment	9,852	144			9,900
14	340	Office furniture and equipment					
15	341	Transportation equipment					
16		Total water plant in service	667,278	32,122			699,400

* 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	
1	Balance in reserves at beginning of year	111,765		A. Method used to compute depreciation
2	Add: Credits to reserves during year			expense (Acct. 403) and rate.
3	(a) Charged to Account No. 272			2.5% 131,700 = 3,295/yr
4	(b) Charged to Account No. 403			D-99-10-005
5	(c) Charged to Account No. 407			B. Amount of depreciation expense claimed
6	(d) Salvage recovered			or to be claimed on utility property in
7	(e) All other credits			your federal income tax return for the year
8	Total credits	3,295		covered by this report \$
9	Deduct: Debits to reserves during year	-60		
10	(a) Book cost of property retired			
11	(b) Cost of removal			C. State method used to compute tax
12	(c) All other debits			depreciation.
13	Total debits			
14	Balance in reserve at end of year	115,000		
15	(1) Explanation of all other credits			
16	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2009)			
Line			
1	Common - (Shares	\$	par)
2	Preferred - (Shares	\$	par)
3	Dividends - Common	Rate - \$	N/A
4	- Preferred	Rate - \$	N/A

List persons owning more than 5% of outstanding stock and number of shares owned by each:

SCHEDULE E - LONG-TERM DEBTS								
Line	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
1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2								
3								
4	Total							

SCHEDULE F - INCOME STATEMENT			
Line	Acct.	Operating revenues	
1	460	Unmetered water revenue	
2	462	Fire protection revenue	
3	465	Irrigation revenue	
4	470	Metered water revenue	95,345
5	480	Other water revenue	11,563
6		Total Operating Revenue	106,908
7		Operating revenue deductions	
8		Operating expenses	
9	610	Purchased water	750
10	615	Purchased power	7,260
11	618	Other volume related expenses	
12	630	Employee labor	
13	640	Materials	1,187
14	650	Contract work	42,075
15	660	Transportation expenses	
16	664	Other plant maintenance expense	8,983
17	670	Office salaries	
18	671	Management salaries	
19	674	Employee pensions and benefits	
20	676	Uncollectible accounts expense	
21	678	Office services and rentals	6,083
22	681	Office supplies and expense	4,959
23	682	Professional services	7,539
24	684	Insurance	2,761
25	688	Regulatory commission expense	946
26	689	General expenses	275
27		Total Operating Expenses	82,818
28	403	Depreciation expense	3,295
29	407	SDWBA loan amortization expense	
30	408	Taxes other than income taxes	5,288
31	409	State income tax expense	
32	410	Federal income tax expense	
33		Total Operating Revenue Deductions	91,396
34		Utility Operating Income	15,512
35	421	Non-utility income	
36	426	Miscellaneous non-utility expense	800
37	427	Interest expense	
38		Net Income	14,712

650.1	40,670
650.2	1,320
650.3	85
Total	42,075

14,712 = 17.76%
82,818

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	70	5	0
	48	6	30	3	0
	6	6	30	5	0
	7	6	30	5	0
	8	6	30	5	0
	9	6	80	6	0.317
	3	6	10	10	1.442
	4	6	10	10	1.948
OTHER CARMET-BY-THE-SEA MUTUAL WATER COMPANY					2.627
Streams or Springs Location of Diversion Point	Flow in Priority Right		Diversions (Unit)		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
Purchased water (unit)				Annual Quantity	6.334
Supplier:					
BACKWASH AND LOSS					-0.545
NET TREATED					5.789

SCHEDULE H - WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

Classification of Service	Month of Year		Annual Total
	Maximum	Minimum	
Residential	0.59	0.49	4.13
Commercial			
Industrial			
Fire Protection			
Irrigation			
Other (specify) CONTRACT WITH CARMET			1.31
Total	0.59	0.49	5.44

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
1	630	Employee Labor	N/A	N/A	N/A	N/A
2	670	Office salaries				
3	671	Management salaries				
4		Total				

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	N/A
Additions during year	N/A
Subtotal - Beginning balance plus additions during year	N/A
Refunds	N/A
Transfers to Acct. 271 - Contributions in Aid of Construction	N/A
Balance end of year	N/A

SCHEDULE K - TOTAL METERS AND SERVICES (Active and Inactive)

Size	Meters	Services
5/8 x 3/4-in		
3/4-in	109	
1-in	64	
-in		
-in		
Total	173	

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	126			43	4		169	4
Industrial/Commercial								
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify)								
Total	126			43	4		169	4

* 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	N/A	
Earth	N/A	
Wood	2	90,000
Steel	1	212,000
Other PLASTIC & S.S.	3	19,800
Total	6	321,800

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	2" and under	2 1/4 to 3 1/4	4"	Other Sizes (Specify)	Total
Cast Iron					
Welded steel					
Standard screw					
Cement-asbestos			450	16,100 6"	
Plastic	8,000	2,000			
Other (specify)					
Total	8,000	2,000	450	16,100	26,550

FACILITY FEES DATA

Please provide the following information relating to Facility Fees collected for the calendar year 2009, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name:	<u>REDWOOD CREDIT UNION redwoodcu.org</u>
Address:	<u>PO BOX 6104 SANTA ROSA, CA 95406</u>
Account Number:	<u>277175-01</u>
Date Opened:	<u>March-07</u>

2. Facilities Fees collected for new connections during the calendar year:

A. Commercial

NAME	<u>AMOUNT</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

B. Residential

NAME	<u>AMOUNT</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

3. Summary of the bank account activities showing:

	<u>AMOUNT</u>
Balance at beginning of year	<u>\$84,420</u>
Deposits during the year	<u>3,836</u>
Interest earned for calendar year	<u>611</u>
Withdrawals from this account	<u>30,792</u>
Balance at end of year	<u>58,075</u>

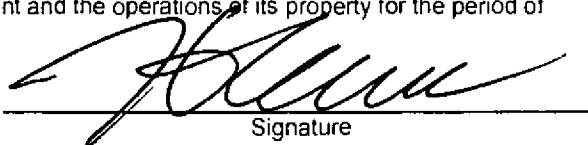
4. Reason or Purpose of Withdrawal from this bank account:

Installation of electrical service and pipeline from Well #9 to storage tanks.

DECLARATION

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned (authorized 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, documents, 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 of January 1, 2009 through December 31, 2009.



Signature

PRESIDENT

March 4, 2010