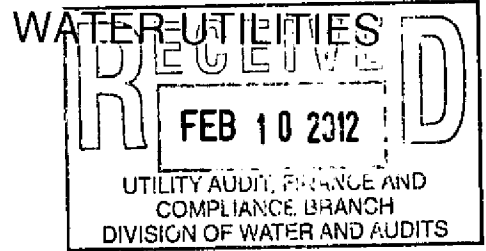


Received _____
Examined _____

CLASS D



U# _____

2011
 ANNUAL REPORT
 OF

THE SERENO DEL MAR WATER COMPANY

PO BOX 457
 FORESTVILLE, CALIFORNIA 95436

TO THE
 PUBLIC UTILITIES COMMISSION
 STATE OF CALIFORNIA
 FOR THE YEAR ENDED DECEMBER 31, 2011

REPORT MUST BE FILED NOT LATER THAN APRIL 2, 2012

TABLE OF CONTENTS

	<u>Page</u>
Instructions	2
General Information	3
Excess Capacity and Non-Tariffed Services	4
Safe Drinking Water Bond Act / State Revolving Fund Data	5-6
Schedule A - Balance Sheet	7
Schedule B - Water Plant In Service	7
Schedule C - Reserve for Depreciation of Utility Plant	7
Schedule D - Capital Stock Outstanding (As of December 31, 2009)	8
Schedule E - Long-Term Debts	8
Schedule F - Income Statement	8
Schedule G - Source of Supply and Water Developed Wells	9
Schedule H - Water Delivered to Metered Customers	9
Schedule I - Employees and Their Compensation	9
Schedule J - Advances for Construction	10
Schedule K - Total Meters and Services (Active and Inactive)	10
Schedule L - Meter Testing Data	10
Schedule M - Service Connections at End of Year	10
Schedule N - Storage Facilities	10
Schedule O - Footages of Pipe (Excluding Service Pipes)	10
Facility Fees Data	11
Declaration	12

INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN APRIL 2, 2012**, 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, 2011, through December 31, 2011. 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: HAL WOOD, PRESIDENT
JAMES DUNTON, SECRETARY

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, Pres., 707-887-7735
(B) Person responsible for operations and services: James Dunton, Sec'y, 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, 678, 681 and 682.**

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, PO BOX 730, FORESTVILLE, CA 95436

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-2	14485
JAMES DUNTON	T-2	13417	D-2	16230
MATT PEYER	T-2	19331	D-2	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 2011:

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
		Active	7,515	615	7,500	N/A	N/A	N/A	N/A	N/A	N/A

**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					
3	303	Land	20,000				20,000
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, 2011)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	704,815	201	Common Stock (Corporations only)	29,449
2	101.1	SDWA Plant		211	Other paid-in capital (Corporations only)	42,000
3	103	Water plant held for future use		215	Retained earnings	-58,611
4	104	Water plant purchased or sold		218	Proprietary capital	
5	105	Water plant construction work in progress		224	Long term debt	134,810
6	108	Accumulated depreciation of water plant	121,590		Current Liabilities	148,722
7	114	Water plant acquisition adjustments		252	Advances for construction	
8	124	Other investments		253	Other deferred credits	
9	131	Cash		255	Accumulated deferred investment tax credits	
10	141	Accounts receivable - customers		282	Accumulated deferred income taxes - ACRS	
11	142	Receivables from associated companies			depreciation	3,295
12	151	Materials and supplies		283	Accumulated deferred income taxes - other	
13	174	Other current assets		271	Contributions in aid of construction	283,560
14	180	Deferred charges		272	Accumulated amortization of contributions	
15		Total Assets	583,225		Total Equity and Liabilities	583,225

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	54,600				54,600
2	303	Land					
3	304	Structures	52,900				52,900
4	307	Wells	32,000				32,000
5	317	Other water source plant	40,215				40,215
6	311	Pumping equipment	21,000				21,000
7	320	Water treatment plant	162,500				162,500
8	330	Reservoirs tanks and sandpipes	184,200				184,200
9	331	Water mains	90,500				90,500
10	333	Services and meter installations	26,000				26,000
11	334	Meters	13,000				13,000
12	335	Hydrants	18,000				18,000
13	339	Other equipment	9,900				9,900
14	340	Office furniture and equipment					
15	341	Transportation equipment					
16		Total water plant in service	704,815				704,815

* 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	118,295		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			
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	121,590		
15	(1) Explanation of all other credits			
16	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2011)

Line			
1	Common - (Shares	\$	par)
2	Preferred - (Shares	\$	par)
3	Dividends - Common	Rate - \$	
4	- Preferred	Rate - \$	

SCHEDULE E - LONG-TERM DEBTS

	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								
2								
3								
4	Total							

SCHEDULE F - INCOME STATEMENT

1	Acct.	Operating revenues	
2	460	Unmetered water revenue	
3	462	Fire protection revenue	
4	465	Irrigation revenue	
5	470	Metered water revenue	138,800
6	475	Approved Total Surcharge Revenue(s)	
7	480	Other water revenue	7,515
8		Total Revenue Received	146,315
9		Less: Revenue Deductions	
10		SDWBA/SRF surcharge revenue	11,819
11		Total Operating Revenue	157,504
12		Operating expenses	
13	610	Purchased water	11
14	615	Purchased power	7,627
15	618	Other volume related expenses	
16	630	Employee labor	
17	640	Materials	49
18	650	Contract work *	70,830
19	660	Transportation expenses	
20	664	Other plant maintenance expense	4,541
21	670	Office salaries	
22	671	Management salaries	
23	674	Employee pensions and benefits	
24	676	Uncollectible accounts expense	
25	678	Office services and rentals	7,985
26	681	Office supplies and expense	4,116
27	682	Professional services	13,938
28	684	Insurance	2,951
29	688	Regulatory commission expense	2,307
30	689	General expenses	1,500
31		Total Operating Expenses	115,855
32	403	Depreciation expense	3,295
33	407	SDWBA loan amortization expense	23,970
34	408	Taxes other than income taxes	6,726
35	409	State income tax expense	775
36	410	Federal income tax expense	
37		Total Operating Revenue Deductions	150,621
38		Utility Operating Income	6,883
39	421	Non-utility income	
40	426	Miscellaneous non-utility expense	
41	427	Interest expense	906
42		Net Income	7,789

***650 Contract Work**

650.1 Contract Work - Treatment 34,974
650.2 Contract Work - Distribution 35,856

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
	1	6	70	5	0
	4B	6	30	3	0
	6	6	30	5	0
	7	6	30	5	0
	8	6	30	5	0
	9	6	80	6	0
	3	6	10	10	0.668
	4	6	10	10	0.766

OTHER

Streams or Springs Location of Diversion Point	Flow in Priority Right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
					4.409 MG
Purchased water (unit)					
Supplier:			Annual Quantity		5.84
			Backwash		<0.1>
			Net Treated		5.74 MG

SCHEDULE H - WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

Classification of Service	Month of Year		Total for Year
	Maximum	Minimum	
Residential	0.37	0.25	3.823 MG
Commercial			
Industrial			
Fire Protection			
Irrigation			
Other (specify)			
Carpet Sales	0.13	0.06	1.275 MG
Total			5.098 MG

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			
2	670	Office salaries				
3	671	Management salaries				
4		Total				

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	N/A
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		
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	N/A
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	130		130	43		43	173	
Industrial/Commercial								
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify)								
Total	130		130	43		43	173	

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	Footage				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete	N/A		Cast Iron					
Earth	N/A		Welded steel					
Wood	2	90,000	Standard screw					
Steel	1	212,000	Cement-asbestos			450	16,100	6" 16,550
Other	3	19,800	Plastic	8,000	2,000			10,000
			Other (specify)					
Total	6	321,800	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 2011, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name: REDWOOD CREDIT UNION (redwoodcu.org)
 Address: PO BOX 6104, SANTA ROSA, CA 95406
 Account Number: 277175-10 AND 277175-20
 Date Opened: Mar-07

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

A. Commercial

NAME	AMOUNT
_____	_____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

B. Residential

NAME	AMOUNT
_____	_____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

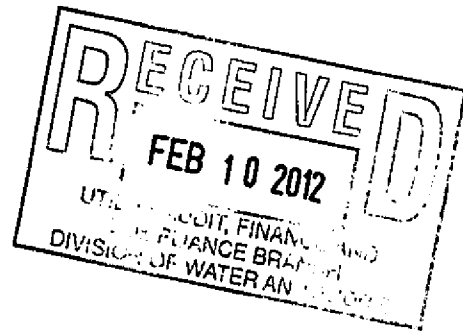
3. Summary of the bank account activities showing:

	AMOUNT
Balance at beginning of year	53,927
Deposits during the year	3,855
Interest earned for calendar year	300
Withdrawals from this account	_____
Balance at end of year	58,082

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

Sereno Del Mar Water Company

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



February 8, 2012


California Public Utilities Commission
Attn: Kayode Kajopaiye
505 Van Ness Avenue – Room 3105
San Francisco, CA 94102-3298

**RE: SERENO DEL MAR WATER COMPANY
ANNUAL REPORT 2005**

Dear Mr. Kajopaiye,

Enclosed please find two signed original copies of the 2011 Annual Report.

Yours very truly,


Hal Wood

enc.