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Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

2001
ANNUAL REPORT
OF

Warring Water Service, Inc

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

P.O. Box 189 Piru, Ca 93040

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2001

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002
(FILE TWO COPIES IF THREE RECEIVED)

Account Number	Operating Revenue	
470	Metered	206638
480	Unmetered	
485	Irrigation	5371
462-480	Private Fire Protection	670
	Total Revenue	212649
	Operating Expenses	
610	Purchased Water	0
615	Purchased Power	24980
	Pump Taxes	4904
	Purchased Chemicals	2470
618	Other Vol. Related exp.	0
630	Employee Labor	52000
640	Materials	5093
650	Contract Work	2754
	Water Testing	1514
680	Transportation Expense	10984
684	Other Plant Maintenance	0
670	Office Salaries	12000
671	Management Salaries	12000
674	Employee Pensions and Benefits	2462
678	Uncollectables	0
678	Office Service and Rentals	5754
681	Office Supplies and Expense	5555
682	Professional Services	8936
684	Insurance	14291
688	Regulatory Expense	0
689	General Expense	3322
	Subtotal	169016
403	Depreciation Expense	18128
	Ad Valorem Taxes	0
	Payroll taxes	4492
408	Taxes other than income	10618
409	State Income Tax	860
410	Federal Income Tax	0
	Total Deductions	34098
	Net Revenue	9535
	Rate Base	
	Average Plant	1150588
	Average Depreciation Reserve	303977
	Net Plant	846611
	Less: Advances	481939
	Less: Contributions	113344
	Plus: Construction Work in Progress	0
	Plus: Working Cash	5000
	Plus: Material & Supplies	735
	Rate Base	257063
	ROR=Net Rev/Rate Base	257063

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Warring Water Service, Inc.

(Name under which corporation, partnership or individual is doing business)

P.O. Box 189 Piru, Ca 93040

(Official mailing address)

Piru, Ventura County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 (A) Date of organization 05/20/1952 incorporated in the State of CA
 (B) Names, titles and addresses of principal officers:
 Gary G. Pace, President, 1295 Cliff Ave Filmore, CA 93015
- 2 If unincorporated give the name and address of owner or of each partner:

- 3 Name and telephone number of:
 (A) One person listed above to receive correspondence: Gary G. Pace 805-524-3267
 (B) Person responsible for operations and services: Gary G. Pace 805-524-3267
- 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?
- 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:

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		05/27/1983

SPECIAL INSTRUCTIONS (over)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
20____

NAME OF UTILITY Warring Water Service, Inc

PHONE 805-524-3267

PERSON RESPONSIBLE FOR THIS REPORT Gary G. Pace

(Prepared from Information in the 2001 Annual Report)

	01/01/2001	12/31/2001	Average
BALANCE SHEET DATA			
1 Intangible Plant	NA	NA	NA
2 Land and Land Rights	3970	3970	3970
3 Depreciable Plant	1133900	1167275	1150588
4 Gross Plant in Service	1133900	1167275	1150588
5 Less: Accumulated Depreciation	-294913	-313040	-303977
6 Net Water Plant in Service	843047	854236	848642
7 Water Plant Held for Future Use	NA	NA	NA
8 Construction Work in Progress	NA	NA	NA
9 Materials and Supplies	735	735	735
10 Less: Advances for Construction	NA	-481939	-240969
11 Less: Contribution in Aid of Construction	NA	-113344	-56672
12 Less: Accumulated Deferred Income and Investment Tax Credits	NA	NA	NA
13 Net Plant Investment	843785	258953	551736
CAPITALIZATION			
14 Common Stock	138100	138100	138100
15 Proprietary Capital (Individual or Partnership)	NA	NA	NA
16 Paid-in Capital	247681	115561	181621
17 Retained Earnings	-15176	-10167	-2505
18 Common Stock and Equity (Lines 14 through 17)	400958	243494	322226
19 Preferred Stock	NA	NA	NA
20 Long-Term Debt	691841	981113	836477
21 Notes Payable	57823	66627	62225
22 Total Capitalization (Lines 18 through 21)	1150622	1291234	1220928

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES

20____
(continued)

NAME OF UTILITY Warring Water Service, Inc PHONE 805-524-3267

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	0
24	Fire Protection Revenue	670
25	Irrigation Revenue	5371
26	Metered Water Revenue	206638
27	Total Operating Revenue	212649
28	<u>Operating Expenses</u>	
29	Depreciation Expense (Composite Rate 2.5)	18128
30	Amortization and Property Losses	0
31	Property Taxes	8604
32	Taxes Other Than Income Taxes	2014
33	Total Operating Revenue Deduction Before Taxes	28746
34	California Corp. Franchise Tax	860
35	Federal Corporate Income Tax	0
36	Total Operating Revenue Deduction After Taxes	860
37	Net Operating Income (Loss) - California Water Operations	-183043
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	174288
39	Income Available for Fixed Charges	8755
40	Interest Expense	34098
41	Net Income (Loss) Before Dividends	-25343
42	Preferred Stock Dividends	0
43	Net Income (Loss) Available for Common Stock	0
OTHER DATA		
44	Refunds of Advances for Construction	0
45	Total Payroll Charged to Operating Expenses	52000
46	Purchased Water	0
47	Power	24980

<u>Active Service Connections</u>		(Exc. Fire Protect.)		Annual Average
	Jan. 1	Dec. 31		
48	Metered Service Connections	386	396	391
49	Flat Rate Service Connections			
50	Total Active Service Connections	386	396	391

**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: Not Applicable _____
Address: _____
Phone Number: _____
Date Hired: _____

2. Former Fiscal Agent:

Name: _____
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	\$ _____
Deposits during the year	_____
Withdrawals made for loan payments	_____
Other withdrawals from this account	_____
Balance at end of year	_____

5. Account information:

Bank Name: _____
Account Number: _____
Date Opened: _____

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

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2001)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	1483784	201	Common Stock (Corporations only)	138100
2	103	Water plant held for future use	0	211	Other paid-in capital (Corporations only)	0
3	104	Water plant purchased or sold	0	215	Retained earnings	-10169
4	105	Water plant construction work in progress	0	218	Proprietary capital	0
5	108	Accumulated depreciation of water plant	313041	224	Long term debt	499175
6	114	Water plant acquisition adjustments	0		Current Liabilities	69431
7	124	Other investments	15570	252	Advances for construction	481939
8	131	Cash	2414	253	Other deferred credits	6447
9	141	Accounts receivable - customers	19024	255	Accumulated deferred investment tax credits	0
10	142	Receivables from associated companies	0	282	Accumulated deferred income taxes - Acrs	0
11	151	Materials and supplies	735		depreciation	0
12	174	Other current assets	85621	283	Accumulated deferred income taxes - other	0
13	180	Deferred charges	500	271	Contributions in aid of construction	115561
14			5877	272	Accumulated amortization of contributions	0
15		Total Assets	1300484		Total Equity and Liabilities	1300484

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant	0				0
17	303	Land	3970				3970
18	304	Structures	16203				16203
19	307	Wells	10000	32727			42727
20	317	Other water source plant	4301				4301
21	311	Pumping equipment	41152				41152
22	320	Water treatment plant	11608				11608
23	330	Reservoirs tanks and sandpipes	503982				503982
24	331	Water mains	428795	307321			736116
25	333	Services and meter installations	22576				22576
26	334	Meters	30344	1201			31545
27	335	Hydrants	11108	4600			15708
28	339	Other equipment	10455				10455
29	340	Office furniture and equipment	13247	3944			17192
30	341	Transportation equipment	26250				26250
31		Total water plant in service	1133991	349793			1483784

* 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	294913		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	18128		S.L.
35	(b) Charged to Account No. 272			
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	18128		covered by this report \$ 18128
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. Same
44	Total debits			
45	Balance in reserve at end of year	313041		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2001)

Line	1	Common - (Shares 138	\$10	par)	138100	List persons owning more than 5% of outstanding stock and number of shares owned by each:
	2	Preferred - (Shares	\$	par)		
	3	Dividends - Common	Rate - \$		Michael Giddings 690.5	
	4	- Preferred	Rate - \$		Gary Pace 690.5	

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	SBA Loan		1994		499174	4%		32395
6	SBBT				38127	10%		2480
7								
8	Totals							34875

SCHEDULE F - INCOME STATEMENT

9		Operating revenues	xxxxxxxxxx
10	460	Unmetered water revenue	NA
11	462	Fire protection revenue	670
12	465	Irrigation revenue	5371
13	470	Metered water revenue	206638
14	480	Other water revenue	NA
15		Total Operating Revenue	212649
16		Operating revenue deductions	xxxxxxxxxx
17		Operating expenses	xxxxxxxxxx
18	610	Purchased water	NA
19	615	Power	24980
20	618	Other volume related expenses	7374
21	630	Employee labor	52000
22	640	Materials	5093
23	650	Contract work	4268
24	660	Transportation expenses	10982
25	664	Other plant maintenance expense	NA
26	670	Office salaries	12000
27	671	Management salaries	12000
28	674	Employee pensions and benefits	2463
29	676	Uncollectible accounts expense	0
30	678	Office services and rentals	5754
31	681	Office supplies and expense	5555
32	682	Professional services	8936
33	684	Insurance	14291
34	688	Regulatory commission expense	0
35	689	General expenses	3322
36		Total Operating Expenses	169018
37	403	Depreciation expense	18128
38	407	SDWBA loan amortization expense	NA
39	408	Taxes other than income taxes	1511
40	409	State corporate income tax expense	860
41	410	Federal corporate income tax expense	0
42		Total Operating Revenue Deductions	34099
43		Utility Operating Income	9532
44	421	Non-utility income	NA
45	426	Miscellaneous non-utility expense	NA
46	427	Interest expense	34875
47		Net Income	-25343

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
3880 Camulos	1	18	129	750	AF 35.37
3880 Camulos	2	14	129	600	AF 309.20

OTHER

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted	
	Priority right	Diversions	(Unit)	
	Claim	Capacity	Max	Min
Purchased water (unit)			Annual quantity	
Supplier:				

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			
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	2	52000		52000
49	670	Office salaries	1	12000		12000
50	671	Management salaries	1	12000		12000
51		Total	4	76000		76000

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	181939
Additions during year	300000
Subtotal - Beginning balance plus additions during year	481939
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	481939

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

Size	Meters	Services
3/4 x 3/4-in	445	390
3/4-in		
1-in	2	2
2'-in	3	3
4'-in	2	1
Total	452	396

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	392		392	55		55	447	
Industrial								
Other (specify)	3		3				3	
Irrigation	1		1	1		1	2	
Subtotal								
Fire protection (Hydrants)								
Total	396		396	56		56	452	

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	2 1/4 to 3 1/4	4"	Other sizes (specify)	Totals		
Concrete			Cast Iron							
Earth			Welded steel				400			
Wood			Standard screw							
Steel	1	1.1 MG	Cement-asbestos		7332	9200	7780	4678		
Other			Plastic	2200		600	1020	4122	7050	
			Other (specify)						4200	
Total	1	1.1 MG	Total	2200	7332	9800	8800	8800	7450	4200

DECLARATION

(BEFORE SIGNING PLEASE CHECK TO SEE THAT ALL SCHEDULES HAVE BEEN COMPLETED)

I, the undersigned (officer, partner or owner) of WARDING WATER SERVICE INC. (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 1/1, 2001, to and including 12/31, 2001

Signed

Title

Date

Gary H. Pace
 Manager
 3/28/02