

Received _____

Examined _____

CLASS B and C
WATER UTILITIES

U# 100

2015
ANNUAL REPORT
OF

WEIMAR WATER COMPANY

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

PO Box 598 Weimar, CA 95736

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2015

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2016

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GENERAL INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2016**, 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 Page 34, must be signed by an authorized 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. 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, 2015, through December 31, 2015. Fiscal year reports will not be accepted.

INSTRUCTIONS

FOR PREPARATION OF SELECTED FINANCIAL DATA SHEET FOR ALL WATER UTILITIES

To prepare the attached data sheets, refer to the Balance Sheet, Income Statement and supporting detail schedules in the annual report for the required data.

Please follow the instructions below:

1. Common plant allocated to water should be indicated with water plant figures in Net Plant Investment.
2. The capitalization section for those reporting on both California Only and Total System Forms should be identical and completed with Total Company Data. Be sure that Advances for Construction include California water data only.
3. Complete the operation section with California water revenues and expenses, but if necessary, remove interdepartmental revenues and expenses.
4. All other utility and nonutility revenues and expenses are netted on Line No. 38.

GENERAL INFORMATION

1. Name under which utility is doing business: Weimar Water Company

2. Official mailing address:
PO Box 598, Weimar CA 95736

3. Name and title of person to whom correspondence should be addressed:
Gerry LaBudde, President Telephone: 530-637-4441

4. Address where accounting records are maintained:
At water treatment plant, end of Meadow Oaks Road (No physical address)

5. Service Area (Refer to district reports if applicable) Weimar, CA

6. Service Manager (If located in or near Service Area.) (Refer to district reports if applicable.)

Name: Gerry LaBudde Telephone: 530-637-4441
Address: 950 Timber Hills Road, Colfax, CA 95713

7. OWNERSHIP. Check and fill in appropriate line:

<input type="checkbox"/>	Individual (name of owner)	_____
<input type="checkbox"/>	Partnership (name of partner)	_____
<input type="checkbox"/>	Partnership (name of partner)	_____
<input type="checkbox"/>	Partnership (name of partner)	_____
<input checked="" type="checkbox"/>	Corporation (corporate name)	<u>Sleepy Hollow Acres, Inc.</u>
	Organized under laws of (state)	<u>California</u> Date: <u>11/5/1959</u>

Principal Officers:

Name: <u>Gerry LaBudde</u>	Title: <u>President</u>
Name: <u>Paul Fejes</u>	Title: <u>Vice President</u>
Name: <u>Heidi LaBudde</u>	Title: <u>Secretary/Treasurer</u>
Name: _____	Title: _____

8. Names of associated companies: Hydros Consulting, Triton Construction Services (co-ownership with Weimar Water shareholders.

9. Names of corporations, firms or individuals whose property or portion of property have been acquired during the year, together with date of each acquisition:

Name: <u>N/A</u>	Date: _____
Name: _____	Date: _____
Name: _____	Date: _____
Name: _____	Date: _____

10. Use the space below for supplementary information or explanations concerning this report:

11. List Name, Grade, and License Number of all Licensed Operators:
Gerry LaBudde 4-21089 (T); 2-19090 (D) Heidi LaBudde 2-23868 (T)
Pual Fejes 3-24517(T); 1-18518 (D) Daniel Stephens 2-34672 (T); 1- 41492
Kirk Sullivan 3-28655 (T); 2-34228 (D)

12. This annual report was prepared by:

Name of firm or consultant: Frank B & Associates

Address of firm or consultant: 134 Davis Street
Santa Paula, CA 93060

Phone Number of firm or consultant: (805) 525-4200

BALANCE SHEET AND CAPITALIZATION DATA

Calendar Year 2015

NAME OF UTILITY Weimar Water Company

Telephone: 530-637-4441

PERSON RESPONSIBLE FOR THIS REPORT Gerry LaBudde

	<u>1/1/2015</u>	<u>12/31/2015</u>	<u>Average</u>
BALANCE SHEET DATA			
1 Intangible Plant	\$ 1,547	\$ 1,547	\$ 1,547
2 Land and Land Rights	\$ 152,987	\$ 152,987	\$ 152,987
3 Depreciable Plant	\$ 3,534,116	\$ 3,536,282	\$ 3,535,199
4 Gross Plant in Service	\$ 3,688,650	\$ 3,690,816	\$ 3,689,733
5 Less: Accumulated Depreciation	\$ 1,148,479	\$ 1,192,460	\$ 1,170,469
6 Net Water Plant in Service	\$ 2,540,171	\$ 2,498,356	\$ 2,519,264
7 Water Plant Held for Future Use	\$ -	\$ -	\$ -
8 Construction Work in Progress	\$ -	\$ -	\$ -
9 Materials and Supplies	\$ 2,000	\$ 2,000	\$ 2,000
10 Less: Advances for Construction	\$ -	\$ -	\$ -
11 Less: Contribution in Aid of Construction	\$ 608,429	\$ 585,498	\$ 596,964
12 Less: Accumulated Deferred Income and Investment Tax Credits	\$ -	\$ -	\$ -
13 Net Plant Investment	\$ 1,933,742	\$ 1,914,858	\$ 1,924,300
CAPITALIZATION			
14 Common Stock	\$ 105,752	\$ 105,752	\$ 105,752
15 Proprietary Capital (Individual or Partnership)	\$ -	\$ -	\$ -
16 Paid-in Capital	\$ 428,970	\$ 376,594	\$ 402,782
17 Retained Earnings	\$ 1,131,983	\$ 1,224,530	\$ 1,178,256
18 Common Stock and Equity (Lines 14 through 17)	\$ 1,666,705	\$ 1,706,876	\$ 1,686,790
19 Preferred Stock	\$ -	\$ -	\$ -
20 Long-Term Debt	\$ 314,755	\$ 276,470	\$ 295,612
21 Notes Payable	\$ 36,599	\$ 58,723	\$ 47,661
22 Total Capitalization (Lines 18 through 21)	\$ 2,018,059	\$ 2,042,069	\$ 2,030,064

INCOME STATEMENT AND OTHER DATA

Calendar Year 2015

NAME OF UTILITY Weimar Water Company

Telephone: 530-637-4441

INCOME STATEMENT	Annual Amount
23 Unmetered Water Revenue	\$ -
24 Fire Protection Revenue	\$ -
25 Irrigation Revenue	\$ 8,076
26 Metered Water Revenue	\$ 558,020
27 Total Operating Revenue	\$ 566,096
28 <u>Operating Expenses</u>	\$ 355,766
29 Depreciation Expense (Composite Rate: <u>2.69%</u>)	\$ 63,336
30 Amortization and Property Losses	
31 Property Taxes	\$ 11,752
32 Taxes Other Than Income Taxes	\$ 1,096
33 Total Operating Revenue Deduction Before Taxes	\$ 431,949
34 California Corp. Franchise Tax	\$ 12,019
35 Federal Corporate Income Tax	\$ 29,872
36 Total Operating Revenue Deduction After Taxes	\$ 473,840
37 Net Operating Income (Loss) - California Water Operations	\$ 92,255
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	\$ 19,006
39 Income Available for Fixed Charges	
40 Interest Expense	\$ 18,715
41 Net Income (Loss) Before Dividends	\$ 92,547
42 Preferred Stock Dividends	
43 Net Income (Loss) Available for Common Stock	\$ 92,547
 OTHER DATA	
44 Refunds of Advances for Construction	\$ -
45 Total Payroll Charged to Operating Expenses	
46 Purchased Water	\$ 47,748
47 Power	\$ 40,128

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		539	549	544
49 Flat Rate Service Connections		0	0	0
50 Total Active Service Connections		539	549	544

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 companies 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 good and service provided in 2014:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row Number	Description of Non-Tariffed Goods/Services	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

**SCHEDULE A
COMPARATIVE BALANCE SHEET
Assets and Other Debits**

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)	Balance Beginning of Year (d)
1		UTILITY PLANT			
2	101	Water Plant in Service (Excluding SDWBA & Prop 50)	A-1 & A-1a	\$ 3,690,816	\$ 3,688,650
3	101.1	Water Plant in Service - SDWBA	A-1 & A-1b	\$ -	\$ -
4	101.2	Water Plant in Service - Prop 50	A-1 & A-1c	\$ -	\$ -
5	103	Water Plant Held for Future Use	A-1 & A-1d	\$ -	\$ -
6	104	Water Plant Purchased or Sold	A-1	\$ -	\$ -
7	105	Construction Work in Progress - Water Plant	A-1	\$ -	\$ -
8	105.1	Construction Work in Progress - SDWBA	A-1	\$ -	\$ -
9	105.2	Construction Work in Progress - Prop 50	A-1	\$ -	\$ -
10		Total Utility Plant		\$ 3,690,816	\$ 3,688,650
11	108	Accumulated Depreciation of Water Plant	A-3	\$ 1,192,460	\$ 1,148,479
12	108.1	Accumulated Amortization of SDWBA loan	A-3		
13	108.2	Reserve for Depreciation of Utility Plant - Prop 50	A-3		
14	114	Water Plant Acquisition Adjustments	A-1		
15		Total Amortization and Adjustments		\$ 1,192,460	\$ 1,148,479
16		Net utility plant		\$ 2,498,356	\$ 2,540,170
17					
18		INVESTMENTS			
19	121	Non-utility Property and Other Assets			
20	122	Accumulated Depreciation of Non-utility Property	A-3		
21		Net non-utility property			
22	123	Investments in Associated Companies			
23	124	Other Investments			
24		Total Investments			
25					
26		CURRENT AND ACCRUED ASSETS			
27	131	Cash		\$ 108,438	\$ 65,844
28	131.3	Cash - Miscellaneous Special Deposits - Prop 50			
29	132	Special Accounts			
30	141	Accounts Receivable - Customers		\$ 18,773	\$ 18,474
31	142	Receivables from Associated Companies			
32	143	Accumulated Provision for Uncollectible Accounts			
33	151	Materials and Supplies		\$ 2,000	\$ 2,000
34	174	Other Current Assets		\$ -	
35		Total current and accrued assets		\$ 129,211	\$ 86,318
36					
37	180	Deferred Charges	A-5		
38					
39		Total assets and deferred charges		\$ 2,627,567	\$ 2,626,488

**SCHEDULE A
COMPARATIVE BALANCE SHEET
Liabilities and Other Credits**

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)	Balance Beginning of Year (d)
40		CORPORATE CAPITAL AND SURPLUS			
41	201	Common Stock	A-6	\$ 105,752	\$ 105,752
42	204	Preferred Stock	A-6		
43	211	Other Paid-in Capital	A-8	\$ 376,594	\$ 428,970
44	215	Retained Earnings	A-9	\$ 1,224,530	\$ 1,131,983
45		Total corporate capital and retained earnings		\$ 1,706,876	\$ 1,666,705
46					
47		PROPRIETARY CAPITAL			
48	218	Proprietary Capital	A-10		
49	218.1	Proprietary Drawings			
50		Total proprietary capital			
51					
52		LONG TERM DEBT			
53	224	Long-term Debt	A-11	\$ 276,470	\$ 314,755
54	225	Advances from Associated Companies	A-12		
55					
56		CURRENT AND ACCRUED LIABILITIES			
57	231	Accounts Payable		\$ 15,163	\$ 12,664
58	232	Short-term Notes Payable		\$ -	\$ -
59	233	Customer Deposits		\$ 1,669	\$ 1,669
60	235	Payables to Associated Companies	A-13		
61	236	Accrued Taxes		\$ 41,891	\$ 22,266
62	237	Accrued Interest		\$ -	
63	241	Other Current Liabilities	A-14	\$ -	
64		Total current and accrued liabilities		\$ 58,723	\$ 36,599
65					
66		DEFERRED CREDITS			
67	252	Advances for Construction	A-15		
68	253	Other Credits			
69	255	Accumulated Deferred Investment Tax Credits	A-16		
70	282	Accumulated Deferred Income taxes - ACRS Depreciation	A-16		
71	283	Accumulated Deferred Income taxes - Other	A-16		
72		Total deferred credits			
73					
74		CONTRIBUTIONS IN AID OF CONSTRUCTION			
75	266.0	Contributions - Publicly Grant-Funded Plant - Prop 50			
76	266.1	Accumulated Amortization of Contributions - Prop 50			
77		Net Contributions - Public Grant-Funded Plant - Prop 50			
78	271	Contributions in Aid of Construction	A-17	\$ 1,185,264	\$ 1,176,264
79	272	Accumulated Amortization of Contributions		\$ 599,766	\$ 567,835
80		Net Contributions in Aid of Construction		\$ 585,498	\$ 608,429
81		Total liabilities and other credits		\$ 2,627,567	\$ 2,626,489

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	Plant Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water Plant in Service (Excluding SDWBA and Prop 50)	3,688,650	53,452	(51,286)		3,690,816
2	101.1	Water Plant In Service - SDWBA					
3	101.2	Water Plant In Service - Prop 50					
4	103	Water plant held for future use					
5	104	Water plant purchased or sold					
6	105	Construction Work in Progress - Water Plant					
7	105.1	Construction Work in Progress - SDWBA					
8	105.2	Construction Work in Progress - Prop 50					
9	114	Water Plant Acquisition Adjustments					
10		Total utility plant	3,688,650	53,452	(51,286)		3,690,816

* Debit or credit entries should be explained by footnotes or supplementary schedules

**SCHEDULE A-1a
Account No. 101 - Water Plant in Service (Excluding SDWBA & Prop 50)**

Line No.	Acct No.	Title of Account (a)	Balance Beg 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	1,547				1,547
3	303	Land	152,987				152,987
4		Total non-depreciable plant	154,534				154,534
5							
6		DEPRECIABLE PLANT					
7	304	Structures	100,522	1,922			102,444
8	307	Wells	-				-
9	317	Other Water Source Plant	-				-
10	311	Pumping Equipment	90,556	9,681			100,237
11	320	Water Treatment Plant	317,968	16,705			334,673
12	330	Reservoirs, Tanks and Sandpipes	617,578	2,699			620,277
13	331	Water Mains	1,692,572	3,518			1,696,090
14	333	Services and Meter Installations	179,680	4,011			183,691
15	334	Meters	152,564	3,440			156,005
16	335	Hydrants	38,896	4,649			43,545
17	339	Other Equipment	165,897	5,302			171,199
18	340	Office Furniture and Equipment	33,186	1,019			34,204
19	341	Transportation Equipment	144,696	507	(51,286)		93,917
20		Total depreciable plant	3,534,116	53,452	(51,286)	-	3,536,282
21		Total water plant in service	3,688,650	53,452	(51,286)	-	3,690,816

* Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE A-1b
Account No. 101.1 - Water Plant in Service - SDWBA

Line No.	Acct No.	Title of Account (a)	Balance Beg 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							
6		DEPRECIABLE PLANT	NA				
7	304	Structures					
8	307	Wells					
9	317	Other Water Source Plant					
10	311	Pumping Equipment					
11	320	Water Treatment Plant					
12	330	Reservoirs, Tanks and Sandpipes					
13	331	Water Mains					
14	333	Services and Meter Installations					
15	334	Meters					
16	335	Hydrants					
17	339	Other Equipment					
18	340	Office Furniture and Equipment					
19	341	Transportation Equipment					
20		Total depreciable plant					
21		Total water plant in service					

* Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE A-1c
Account No. 101.2 - Water Plant in Service - Prop 50

Line No.	Acct No.	Title of Account (a)	Balance Beg 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							
6		DEPRECIABLE PLANT					
7	304	Structures					
8	307	Wells					
9	317	Other Water Source Plant					
10	311	Pumping Equipment	NA				
11	320	Water Treatment Plant					
12	330	Reservoirs, Tanks and Sandpipes					
13	331	Water Mains					
14	333	Services and Meter Installations					
15	334	Meters					
16	335	Hydrants					
17	339	Other Equipment					
18	340	Office Furniture and Equipment					
19	341	Transportation Equipment					
20		Total depreciable plant					
21		Total water plant in service					

* Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE A-1d
Account No. 103 - Water Plant Held for Future Use

Line No.	Description and Location of Property (a)	Date of Acquisition (b)	Approximate Date When Property will be placed in Service (c)	Balance End of Year (d)
1				
2				
3	NA			
4				
5				
6				
7				
8				
9				
10	Total			

SCHEDULE A-2
Account No. 121 - Non-utility Property and Other Assets

Line No.	Name and Description of Property (a)	Book Value End of Year (b)
1		
2		
3		
4		
5		NA
6		
7		
8		
9		
10	Total	

SCHEDULE A-3
Account Nos. 108 and 122 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 108	Account 108.1	Account 108.2	Account 122
		Water Plant Excluding SDWBA & Prop 50 (b)	SDWBA Loans (c)	Prop 50 (d)	Non-utility Property (e)
1	Balance in reserves at beginning of year	\$ 1,148,479			
2	Add: Credits to reserves during year				
3	(a) Charged to Account No. 403 (Footnote 1)	\$ 63,336			
4	(b) Charged to Account No 272	\$ 31,931			
5	(c) Charged to clearing accounts				
6	(d) Charged to Account No. 407				
7	(e) Charged to Account No. 266.1				
8	(f) Salvage recovered				
9	(g) All other credits (Footnote 2)				
10	Total Credits	\$ 95,267			
11	Deduct: Debits to reserves during year				
12	(a) Book cost of property retired	\$ (51,286)			
13	(b) Cost of removal				
14	(c) All other debits (Footnote 3)				
15	Total debits	\$ (51,286)			
16	Balance in reserve at end of year	\$ 1,192,460			
17					
18	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			%	
19					
20	(2) EXPLANATION OF ALL OTHER CREDITS:				
21					
22					
23					
24					
25					
26	(3) EXPLANATION OF ALL OTHER DEBITS:				
27					
28					
29					
30					
31					
32	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION				
33	(a) Straight line	[]			
34	(b) Liberalized	[]			
35	(1) Sum of the years digits	[]			
36	(2) Double declining balance	[]			
37	(3) Other	[]			
38	(c) Both straight line and liberalized	[]			

SCHEDULE A-3a
Account No. 108 - Analysis of Entries in Depreciation Reserve (Total)

Line No.	Acct No.	Depreciable Plant (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserve During Year Excluding Costs of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures	\$ 35,134	\$ 2,537			\$ 37,671
2	307	Wells	\$ -	\$ -			\$ -
3	317	Other Water Source Plant	\$ -	\$ -			\$ -
4	311	Pumping Equipment	\$ 27,737	\$ 3,816			\$ 31,553
5	320	Water Treatment Plant	\$ 119,885	\$ 13,053			\$ 132,937
6	330	Reservoirs, Tanks and Sandpipes	\$ 190,753	\$ 8,252			\$ 199,005
7	331	Water Mains	\$ 495,493	\$ 24,205			\$ 519,698
8	333	Services and Meter Installations	\$ 66,924	\$ 6,056			\$ 72,980
9	334	Meters	\$ 41,593	\$ 10,286			\$ 51,878
10	335	Hydrants	\$ 13,514	\$ 1,031			\$ 14,545
11	339	Other Equipment	\$ 39,569	\$ 5,618			\$ 45,187
12	340	Office Furniture and Equipment	\$ 17,260	\$ 3,369			\$ 20,629
13	341	Transportation Equipment	\$ 100,618	\$ 17,044	\$ (51,286)		\$ 66,376
14		Total	\$ 1,148,479	\$ 95,267	\$ (51,286)		\$ 1,192,460

SCHEDULE A-4
Account No. 174 - Other Current Assets

Line No.	Item (a)	Amount (b)
1		
2		
3		
4		NA
5		
6		
7		
8		
9		
10		

SCHEDULE A-5

Accounts Nos. 180 and 253 - Unamortized debt discount and expense and unamortized premium on debt

1. Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt.
2. Show premium amounts in red or by enclosure in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
5. Furnish particulars regarding the treatment of debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year, also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.

Line No.	Designation of Long-Term Debts (a)	Principal Amount of Securities to Which Discount and Expense, or Premium Minus Expense, Relates (b)	Total Discount and Expense or Net Premium (c)	Amortization Period		Balance Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance End of Year (i)
				From (d)	To (e)				
1									
2									
3	NA								
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									

SCHEDULE A-6
Account Nos. 201 and 204 - Capital Stock

Line No.	Class of Stock (a)	Date of Issue (b)	Number of Shares Authorized by Articles of Incorporation (c)	Par or Stated Value (d)	Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Common	11/5/1959	1,058	\$ 100	1,058	\$ 105,752	0	0
2								
3								
4								
5								
6								
7								
8							Total	

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK	Number of Shares (b)	PREFERRED STOCK	Number of Shares (d)
	Name (a)		Name (c)	
1	Gerry LaBudde (60%)	635		
2	Paul Fejes (40%)	423		
3				
4				
5				
6				
7				
8				
9				
10	Total number of shares	1,058	Total number of shares	

SCHEDULE A-8
Account No. 211 - Other Paid in Capital (Corporations only)

Line No	Type of Paid in Capital (a)	Balance End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8	Total	\$ 376,594

SCHEDULE A-9
Account No. 215 - Retained Earnings
(Corporations Only)

Line No	Item (a)	Amount (b)
1	Balance beginning of year	\$ 1,131,983
2	CREDITS	
3	Net income	\$ 92,547
4	Prior period adjustments	
5	Other credits (detail)	
6	Total Credits	\$ 92,547
7		
8	DEBITS	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total Debits	
15	Balance end of year	\$ 1,224,530

SCHEDULE A-10
Account No. 218 - Proprietary Capital
(Sole Proprietor or Partnership)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	
2	CREDITS	NA
3	Net income	
4	Additional investments during year	
5	Other credits (detail)	
6	Total Credits	
7	DEBITS	
8	Net losses	
9	Withdrawals during year	
10	Other debits (detail)	
11	Total Debits	
12	Balance end of year	

SCHEDULE A-11
Account No. 224 - Long-Term Debt

Line No.	Class (a)	Name of Issue (b)	Date of Issue (c)	Date of Maturity (d)	Principal Amount Authorized (e)	Outstanding Per Balance Sheet (f)	Interest Rate (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1	Tri Counties Bank-Granite (Tank Loan)		2006	2026	\$ 450,000	\$ 276,470	6.00%			\$ 18,715
2										
3										
4										
5										
6						\$ 276,470				\$ 18,715

SCHEDULE A-12
Account No. 225 - Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2	NA				
3					
4					
5					
6	Totals				

Schedule A-13
Account No. 235 - Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1	PUC Fee	\$ 8,439			
2					
3					
4					
5					
6	Totals	\$ 8,439			

SCHEDULE A-14
Account No. 241 - Other Current Liabilities

Line No.	Description (a)	Balance End of Year (b)
1	NA	
2		
3		
4		
5	Total	

SCHEDULE A-15
Account No. 252 - Advances for Construction

Line No.	(a)	(b)	Amount (c)
NA			
1	Balance beginning of year		
2	Additions during year		
3	Subtotal - Beginning balance plus additions during year		
4	Charges during year:		
5	Refunds		
6	Percentage of revenue basis		
7	Proportionate cost basis		
8	Present worth basis		
9	Total refunds		
10	Transfers to Acct. 271, Contributions in aid of Construction		
11	Due to expiration of contracts		
12	Due to present worth discount		
13	Total transfers to Acct. 271		
14	Securities Exchanged for Contracts (Enter detail below)		
15	Subtotal - charges during year		
16	Balance end of year		

SCHEDULE A-16
Account Nos. 255, 282, and 283 - Deferred Taxes

Line No	Item (a)	Account 255 Investment Tax Credit (b)	Account 282 Income Tax - ACRS Depreciation (c)	Account 283 - Other (d)
1				
2	NA			
3				
4				
5	Total			

SCHEDULE A-17

Account No. 271 - Contributions in Aid of Construction

Instructions for Preparation of Schedule of Contributions in Aid of Construction

1. The credit balance in the account other than that portion of the balance relating to non-depreciable property (column d), to property retired prior to January 1, 1955 (column e), shall be written off through charges to this account and credits to Account No. 108, Accumulated depreciation of water plant, over a period equal to the estimated service life of the property involved. Upon retirement of depreciable property for which a depreciation reserve has been created through charges to this account, the cost thereof shall be credited to the appropriate plant account and concurrently charged to Account No. 108. If the property is retired prior to the service life originally estimated, the balance in this account with respect to the retired property shall be transferred to the depreciation reserve account.

2. That portion of the balance applicable to non-depreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such non-depreciable property acquired by donation or through use of donated funds shall be credited to the appropriate plant account and charged to this account to clear the credit balance carried herein.

3. That portion of the balance representing donations on property retired prior to January 1, 1955 (column e), and the amount of depreciation accrued to January 1, 1955, on property in service (column f), shall not be transferred from this account or otherwise disposed of without first receiving written authorization from the Commission.

Line No.	Description	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 ² (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 ³ (f)
			Depreciable (c)	Non-Depreciable ¹ (d)		
1	Balance beginning of year	\$ 608,429	\$ 608,429			
2	Add: Credits to account during year					
3	Contributions received during year	\$ 9,000	\$ 9,000			
4	Other credits*					
5	Total credits	\$ 9,000	\$ 9,000			
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	\$ (31,931)	\$ (31,931)			
8	Non-depreciable donated property retired					
9	Other debits*					
10	Total debits	\$ (31,931)	\$ (31,931)			
11	Balance end of year	\$ 585,498	\$ 585,498			

* Indicate nature of these items and show the accounts affected by the contra entries

**SCHEDULE B
INCOME STATEMENT**

Line No.	Acct. No.	Account (a)	Schedule Number (b)	Amount (c)
UTILITY OPERATING INCOME				
1	400	Operating Revenues	B-1	\$ 566,096
OPERATING REVENUE DEDUCTIONS				
2	401	Operating Expenses	B-2	\$ 355,766
3	403	Depreciation Expense	A-3	\$ 63,336
4	407	SDWBA Loan Amortization Expense	pages 7 & 8	
5	408	Taxes Other Than Income Taxes	B-3	\$ 12,848
6	409	State Corporate Income Tax Expense	B-3	\$ 12,019
7	410	Federal Corporate Income Tax Expense	B-3	\$ 29,872
8		Total operating revenue deductions		\$ 473,840
9		Total utility operating income		\$ 92,255
OTHER INCOME AND DEDUCTIONS				
10	421	Non-utility Income	B-5	\$ 41,524
11	426	Miscellaneous Non-utility Expense	B-5	\$ (22,519)
12	427	Interest Expense	B-6	\$ (18,715)
13		Total other income and deductions		\$ 291
14		Net income		\$ 92,547

SCHEDULE B-1
Account No. 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
WATER SERVICE REVENUES					
1	460	Unmetered water revenue			
2		460.1 Single-family Residential			
3		460.2 Commercial and Multi-residential			
4		460.3 Large Water Users			
5		460.5 Safe Drinking Water Bond Surcharge			
6		460.9 Other Unmetered Revenue			
7		Sub-total			
8	462	Fire protection revenue			
9		462.1 Public Fire Protection			
10		462.2 Private Fire Protection			
11		Sub-total			
12	465	Irrigation revenue	\$ 8,076	\$ 7,690	\$ 386
					\$ -
13	470	Metered water revenue			\$ -
14		470.1 Single-family Residential	\$ 417,869	\$ 433,598	\$ (15,729)
15		470.2 Commercial and Multi-residential	\$ 20,048	\$ 22,386	\$ (2,338)
16		470.3 Large Water Users (public Authority)			\$ -
17		470.5 Safe Drinking Water Bond Surcharge	\$ -		\$ -
18		470.9 Other Metered Revenue (Public Agencies)	\$ 128,542	\$ 141,765	\$ (13,223)
19		Sub-total	\$ 566,459	\$ 597,749	\$ (31,290)
20		Total water service revenues	\$ 574,535	\$ 605,439	\$ (30,904)
					\$ -
21	480	Other Water Revenue Less PUC Fees Collected	\$ (8,439)	\$ (8,976)	\$ 537
22		Total operating revenues	\$ 566,096	\$ 596,463	\$ (30,367)

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
PLANT OPERATION AND MAINTENANCE EXPENSES					
VOLUME RELATED EXPENSES					
1	610	Purchased Water	\$ 44,561	\$ 45,968	\$ (1,407)
	611	Purchased Water (for Irrigation Service)	\$ 3,188	\$ 3,804	
2	615	Power	\$ 40,128	\$ 44,181	\$ (4,053)
3	616	Other Volume Related Expenses	\$ 19,983	\$ 18,665	\$ 1,318
4		Total volume related expenses	\$ 107,859	\$ 112,617	\$ (4,758)
					\$ -
NON-VOLUME RELATED EXPENSES					
					\$ -
5	630	Employee Labor (1)	\$ 119,903	\$ 107,463	\$ 12,440
6	640	Materials	\$ 16,960	\$ 11,115	\$ 5,845
7	650	Contract Work	\$ 6,940	\$ 5,510	\$ 1,430
8	660	Transportation Expenses	\$ 14,211	\$ 19,530	\$ (5,319)
9	664	Other Plant Maintenance Expenses	\$ 9,076	\$ 10,008	\$ (932)
10		Total non-volume related expenses	\$ 167,091	\$ 153,626	\$ 13,465
11		Total plant operation and maintenance exp.	\$ 274,950	\$ 266,243	\$ 8,707
					\$ -
ADMINISTRATIVE AND GENERAL EXPENSES					
					\$ -
12	670	Office Salaries (1)	\$ 29,494	\$ 26,606	\$ 2,888
13	671	Management Salaries (1)	\$ 6,302	\$ 10,763	\$ (4,461)
14	674	Employee Pensions and Benefits	\$ 145	\$ 41,967	\$ (41,822)
15	676	Uncollectible Accounts Expense	\$ 627	\$ 1,173	\$ (546)
16	678	Office Services and Rentals	\$ 7,023	\$ 7,562	\$ (540)
17	681	Office Supplies and Expenses	\$ 15,485	\$ 17,227	\$ (1,742)
18	682	Professional Services	\$ 4,823	\$ 6,214	\$ (1,392)
19	684	Insurance	\$ 10,708	\$ 10,046	\$ 662
20	688	Regulatory Commission Expense	\$ 4,363	\$ 3,586	\$ 777
21	689	General Expenses	\$ 1,847	\$ 6,746	\$ (4,899)
22		Total administrative and general expenses	\$ 80,816	\$ 131,889	\$ (51,073)
23	800	Expenses Capitalized			\$ -
24		Net administrative and general expense	\$ 80,816	\$ 131,889	\$ (51,073)
25		Total operating expenses	\$ 355,766	\$ 398,132	\$ (42,366)

SCHEDULE B-3
Account No. 408, 409, 410 - Taxes Charged During the Year

Line No.	Type of Tax (a)	Total Taxes Charged During Year (b)	Distribution of Taxes Charged	
			Water (c)	Nonutility (d)
1	Taxes on real and personal property	\$ 11,752	\$ 11,752	
2	State corporate franchise tax	\$ 12,019	\$ 12,019	
3	State unemployment insurance tax		\$ -	
4	Other state and local taxes		\$ -	
5	Federal unemployment insurance tax	\$ 1,096	\$ 1,096	
6	Federal insurance contributions act		\$ -	
7	Other federal taxes		\$ -	
8	Federal income taxes	\$ 29,872	\$ 29,872	
9	Total	\$ 54,739	\$ 54,739	

SCHEDULE B-4
Reconciliation of Reported Net Income for Federal Income Taxes

- 1 Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.

- 2 If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax amount the group members.

- 3 Show taxable year if other than calendar year from _____ to _____.

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 4	\$ 92,547
2	Reconciling amounts (list first additional income and unallowable deductions,	
3	followed by additional deductions and non-taxable income):	
4		
5		
6		
7		
8		
9		
10	Federal tax net income	\$ 134,437
11	Computation of tax:	\$ 29,872
12	State tax	\$ 12,019
13		
14		
15		
16		
17		

SCHEDULE B-5
Accounts No. 421 and 426 - Income from Nonutility Operations

Line No.	Description (a)	Revenue Acct. 421 (b)	Expense Acct. 426 (c)
1	Interest Income	\$ 56	
2	Interest In-Granite Com		
3	Christian Valley Ops	\$ 7,363	
4	Heather Glenn Ops	\$ 4,774	
5	HG Wastewater		
6	Non-Utility Income-Other	\$ 29,332	
7			
8	Misc. Non-Utility Expenses-Other		\$ (22,519)
9	Payroll Expense Non-Utility		
10	Total	\$ 41,524	\$ (22,519)

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Tri Counties Bank - Interest -Granite (Tank Loan)	\$ 18,715
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	\$ 18,715

SCHEDULE C-1
Compensation of Individual Proprietor, Partners, and Employees Included in Expenses

Line No.	Acct. No.	Account (a)	Number at End of Year (b)	Salaries Charged to Expense (c)	Salaries Charged to Plant Accounts (d)	Total Salaries and Wages Paid (e)
1	630	Employee Labor				
2	670	Office salaries				
3	671	Management salaries				
4						
5						
6		Total				

SCHEDULE C-2
Loans to Directors, Officers, or Shareholders

Line No.	Name (a)	Title (b)	Amount (c)	Interest Rate (d)	Maturity Date (e)	Security Given (f)	Date of Shareholder Authorization (g)	Other Information (h)
1.								
2.								
3.			NA					
4.								
5.								
6.								
7.	Total							

SCHEDULE C-3
Engineering and Management Fees and Expenses, etc., During Year

Line No.	Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership, or person covering supervision and/or management of any department of the respondent's affairs, such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership.	
1.	Did the respondent have a contract or other agreement with any organization or person covering supervision and/or management of its own affairs during the year? Answer: Yes: <u>YES</u> No: _____ (If the answer is in the affirmative, make appropriate replies to the following questions)*	
2.	Name of each organization or person that was a party to such a contract or agreement. Hydros Consulting	
3.	Date of original contract or agreement: <u>1/5/2015 - Hydros/WW</u>	
4.	Date of each supplement or agreement: <u>NA</u>	
5.	Amount of compensation paid during the year for supervision or management: \$ <u>6,302</u>	
6.	To whom paid: <u>Hydros Consulting</u>	
7.	Nature of payment (salary, traveling expenses, etc.): <u>Management Salary</u>	
8.	Amounts paid for each class of service: _____	
9.	Basis for determination of such amounts: _____	
10.	Distribution of payments:	Amount
	(a) Charged to operating expenses	\$ <u>155,699</u>
	(b) Charged to capital amounts	\$ _____
	(c) Charged to other account	\$ _____
	Total	\$ _____
11.	Distribution of charges to operating expenses by primary accounts:	Amount
	Number and Title of Account:	
	<u>Acct. 630 - Employee Labor</u>	\$ <u>119,903</u>
	<u>Acct. 670 - Office Salaries</u>	\$ <u>29,494</u>
	<u>Acct. 671 - Management Salaries</u>	\$ <u>6,302</u>
	Total	\$ <u>155,699</u>
12.	What relationship, if any, exists between respondent and supervisory and/or managing concerns? Contractual	
	* File with this report a copy of every contract, agreement, supplement or amendment mentioned above unless a copy of the instrument in due form has been furnished, in which case a definite reference to the report of the respondent relative to which it was furnished will suffice.	

**SCHEDULE D-1
Sources of Supply and Water Developed**

STREAMS				FLOW IN (Unit) ²				Annual Quantities Diverted(Unit) ²	Remarks
Line No.	Diverted Into *	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions			
				Claim	Capacity	Max.	Min.		
1									
2									
3		NA							
4									
5									
WELLS						Pumping Capacity (Unit) ²	Annual Quantities Pumped(Unit) ²	Remarks	
Line No.	At Plant (Name or Number)	Location	No.	Dimensions	Depth to Water ¹				
6									
7		NA							
8									
9									
10									
TUNNELS AND SPRINGS				FLOW IN (Unit) ²		Annual Quantities Pumped(Unit) ²	Remarks		
Line No.	Designation	Location	Number	Maximum	Minimum				
11									
12		NA							
13									
14									
15									
Purchased Water for Resale									
16	Purchased from Placer County Water Agency								
17	Annual Quantities purchased						(Unit chosen) ¹	Miner's Inch Day	
18	Raw Water Purchased for Treatment = 8,240								
19	Raw Water Purchased for Irrigation = 2,072								
<p>* State ditch pipeline reservoir, etc., with name, if any. ¹ Average depth to water surface below ground surface ² The quantity unit in established use for experiencing water stored and used in large amounts is the acre foot, which equals 43,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second. In gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.</p>									

**SCHEDULE D-2
Description of Storage Facilities**

Line No	Type	No.	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			
2	Concrete			
3	Earth		250,000	raw water pond at plant, has been in service since inception
4	Wood (raw water-irrigation servid	1	20,000	
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal	4	1,260,000	
12	Concrete			
13	Total		1,530,000	

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES									
Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____									
Line No.	Description	0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume								
3	Lined conduit	N/A - Purchase Water From PCWA							
4									
5	Total								

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES (Continued)									
Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____									
Line No.	Description	101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								
7	Flume								
8	Lined conduit	N/A - Purchase Water From PCWA							
9									
10	Total								

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING										
Line No.	Description	1	1 1/2	2	2 1/2	3	4	5	6	8
11	Plastic - (PVC)			16,102	3,468	3,380	13,933		10,659	27,431
12	Cast iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw									
17	Screw or welded casing									
18	Cement - asbestos								889	
19	Welded steel								161	17,051
20	Wood									
21	Steel - (galv)		362		753		836			
22	Total		362	16,102	4,221	3,380	14,769		11,709	44,482

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - (Continued)									
Line No.	Description	10	12	14	16	18	20	Other Sizes (Specify)	Total All Sizes
23	Plastic - (PVC)	4,246							79,219
24	Cast iron (cement lined)								-
25	Concrete								-
26	Copper								-
27	Riveted steel								-
28	Standard screw								-
29	Screw or welded casing								-
30	Cement - asbestos								889
31	Welded steel	21,073							38,285
32	Wood								-
33	Steel - (galv)								1,951
34	Total	25,319	-	-	-	-	-	-	120,344

**SCHEDULE D-4
Number of Active Service Connections**

Size	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
5/8 x 3/4 - in	535	544		
3/4 - in		1		
1 - in	2	2		
- in				
2 - in	2	2		
- in				
- in				
- in				
Other				
Total	539	549		

NOTE: There were two new connections in 2014; previous year's count was off due to billing program irregularities.

**SCHEDULE D-5
Number of Meters and Services on
Pipe Systems at End of Year**

Size	Meters	Services
5/8 x 3/4 - in	561	561
3/4 - in	1	1
1 - in	2	2
2 - in	2	2
- in		
- in		
- in		
- in		
Other		
Total	566	566

**SCHEDULE D-6
Meter Testing Data**

A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:	
1. New, after being received . . .	0
2. Used, before repair	0
3. Used, after repair	0
4. Found fast, requiring billing adjustment	0
B. Number of Meters in Service Since Last Test	
1. Ten years or less	0
2. More than 10, but less than 15 years	0
3. More than 15 years	0

(All meters changed over the last three years; only problems encountered a

**SCHEDULE D-7
Water delivered to Metered Customers by Months and Years in HCF (Unit Chosen)¹**

	During Current Year							
	January	February	March	April	May	June	July	Subtotal
Single-family residential	3,474	4,089	3,409	5,530	4,640	6,926	7,085	35,153
Commercial and Multi-residential	309	261	359	587	334	591	765	3,206
Large water users								-
Public authorities	4,042	3,109	4,016	4,452	3,737	4,302	4,842	28,500
Irrigation								-
Other (specify)								-
Total	7,825	7,459	7,784	10,569	8,711	11,819	12,692	66,859
	During Current Year							Total Prior Year
	August	September	October	November	December	Subtotal	Total	
Single-family residential	8,602	6,567	7,041	3,948	4,122	30,280	65,433	84,781
Commercial and Multi-residential	758	747	784	248	313	2,850	6,056	9,056
Large water users						-	-	-
Public authorities	5,124	4,146	3,912	2,955	3,911	20,048	48,548	64,827
Irrigation						-	-	-
Other (specify)						-	-	-
Total	14,484	11,460	11,737	7,151	8,346	53,178	120,037	158,664

¹ Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated: 0

Total population served: 1660

**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 (SRF) loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent: **NA**

Name: _____
 Address: _____
 Phone Number: _____
 Account Number: _____
 Date Hired: _____

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

\$ _____

Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
5/8 X 3/4 inc		
3/4 inch		
1 inch		
1 1/2 inch		
2 inch		
3 inch		
4 inch		
6 inch		
Number of Flat Rate Customers		
Total		

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

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

**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					
4		Total non-depreciable plant		NA			
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					

FACILITIES FEES DATA

Class B: Please provide the following information relating to Facilities Fees for districts or subsidiaries serving 2,000 or fewer customers for the calendar year (per D.91-04-068).

Class C: Please provide the following information relating to Facilities Fees collected for the calendar year, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name: Tri Counties Bank
 Address: Auburn, CA
 Account Number: _____
 Date Opened: _____

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

A. Commercial

NAME	AMOUNT
	\$
	\$
	\$
	\$

B. Residential

NAME	AMOUNT
C. Mosier - new service connection	\$ 2,000
R. Low - new service connection	\$ 2,000
V. Akhramenko - new service connection	\$ 2,000
M. Butler - new service connection	\$ 2,000
J. Van der Linden - increase from 5/8" to 3/4" meter	\$ 1,000

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ -
Deposits during the year	\$ 9,000
Interest earned for calendar year	
Withdrawals from this account	\$ 9,000
Balance at end of year	\$ -

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

Connection charges, if collected, are pooled in general account and tracked in accounting program.
Funds are used for capacity expansions. Withdrawals from this account were for system improvements.

DECLARATION

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

I, the undersigned _____ **Gerry LaBudde**
Officer, Partner, or Owner (Please Print)

of _____ **Weimar 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 of January 1, 2015, through December 31, 2015.

_____ **President**
Title (Please Print)

_____ Signature

_____ **530-637-4441**
Telephone Number

_____ Date

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ATTACHMENT 1

CONTRACT OPERATIONS AGREEMENT BETWEEN WEIMAR WATER AND HYDROS CONSULTING

**AGREEMENT BETWEEN
WEIMAR WATER CO.
AND HYDROS CONSULTING
FOR PERFORMANCE OF WATER SYSTEM SERVICES**

THIS AGREEMENT is made this June 19, 2015, in Auburn, California, between Weimar Water Company CLIENT ("CLIENT"), a public agency, and Hydros Consulting, Inc., a California Corporation ("Hydros Consulting"), concerning the performance of public water system treatment, operations, maintenance, reporting, and related services (the "Work").

RECITALS:

- A. CLIENT has determined for practical and financial reasons that the most efficient manner for operating the CLIENT's water system is to hire a contract operator with the skill, knowledge, required regulatory certifications, and staffing levels to perform the Work.
- B. Hydros Consulting is in the business of providing operations and maintenance services assistance to small public water systems. The CLIENT has determined that Hydros Consulting is qualified to provide such services to the CLIENT.
- C. CLIENT desires to retain the services of Hydros Consulting to perform the Work and Hydros Consulting desires to perform the Work under the terms and conditions provided in this Agreement.
- D. Engineering services will be provided under a separate agreement between Hydros Consulting and CLIENT.

AGREEMENT:

1. Scope of Work.

a. Hydros Consulting shall perform the Work, which consists of the following two components: (i) providing all labor necessary to perform operations and maintenance of the CLIENT's water system, including without limitation treating raw water received from PCWA, operating the storage facilities and distribution system, performing routine maintenance of the treatment plant, reservoirs, distribution system and other CLIENT facilities, preparing and filing required reports with California Department of Public Health and other regulatory authorities having jurisdiction over the Client's water system, including management and administrative duties for the proper operation of the water system commiserate with standard of care. Operations and maintenance services as approved by the Client and agreed to by Hydros Consulting, including without limitation, installing new service connections, providing cross-connection control services, and repairing damaged or obsolete pipes, valves and other appurtenances owned and operated by the CLIENT, responding to customers' complaints and

leaks.

b. Weimar Water Company shall provide all equipment, material and labor necessary completion of the work.

c. Hydros Consulting will perform all work in accordance with the terms and conditions of this Agreement. The Work that constitutes the work is specified in the schedule attached to and made a part of this Agreement as **Exhibit A**.

d. Hydros Consulting shall: (a) provide all labor necessary to properly, competently, and completely perform all work under this Agreement. Hydros Consulting shall properly, competently, and completely perform all Work under this Agreement in a manner commensurate with prevailing professional standards of qualified and experienced personnel in Hydros Consulting's field. Hydros shall determine the methods, details and means of doing all Work.

e. Weimar Water will provide equipment and materials for execution of the work including repairs, capital improvements, and routine operation and maintenance activities. Hydros Consulting shall provide administrative duties including managing accounts payable on behalf of Weimar Water Co.

f. Hydros Consulting shall not perform any Work on the customer's side of a service connection or at the request of a customer that is chargeable to the CLIENT, unless such Work is authorized in advance and in writing by the CLIENT. It shall be Hydros Consulting's sole responsibility to collect any charges for Work performed at a customer's request or on the customer's side of a service connection that is not authorized in writing by the CLIENT.

g. All personnel used by Hydros Consulting for the Work shall be acceptable to the Client. The Client shall notify Hydros Consulting in writing promptly of its objection to any person employed on the Work and Hydros Consulting shall remove such person from the Work as soon as reasonably possibly without jeopardizing completion of the current and ongoing Work. The objectionable employee shall be removed from CLIENT related work within 72 hours. The employee shall be removed from further work with the CLIENT permanently unless otherwise agreed by the CLIENT in writing. Such a discharge requested by the CLIENT shall not be the basis for any claim for compensation or damages by Hydros Consulting.

2. Compensation.

a. In exchange for performing the Routine and any Special Work, the CLIENT shall pay to Hydros Consulting the appropriate fees and charges provided in Hydros Consulting's rate schedule, which is attached to and made a part of this Agreement as **Exhibit B**.

b. At the end of each month in which any Work is performed, Hydros Consulting shall submit to the CLIENT an invoice for Work performed during the preceding month. The invoice shall include a brief description of the Work performed, the dates of Work, number of hours worked and by whom (if payment is based on time), and an itemization of any reimbursable expenses. If the Work is satisfactorily completed and the invoice is accurately computed, the

CLIENT shall pay the invoice within 30 days of its receipt. Nothing in this paragraph limits the parties' discretion to agree to a different method of payment.

4. Term and Termination. This Agreement shall take effect on the above date and continue in effect until terminated by the CLIENT or Hydros Consulting upon 60 days advance written notice to the other party as provided in Section 17 hereof. In the event of such termination, Hydros Consulting shall be fairly compensated for all work performed to the date of termination as calculated by the CLIENT based on the above fee and payment provisions. Compensation under this section shall not include any cancellation or demobilization charges or lost profit associated with the expected completion of any Work or other such similar payments relating to Hydros Consulting's claimed benefit of the bargain.

5. Professional Skill of Hydros Consulting.

a. Hydros Consulting represents that it is specially trained and experienced, and possesses the skill, ability, knowledge and certification, to competently perform all Work provided by this Agreement. The CLIENT has relied upon Hydros Consulting's training, experience, skill, ability, knowledge and certification as a material inducement to enter into this Agreement. All Work performed by Hydros Consulting shall be in accordance with applicable legal requirements and meet the standard of care and quality ordinarily expected of competent professionals in Hydros Consulting's field.

6. Compliance with Laws.

a. Hydros Consulting shall perform the Work in compliance with all applicable federal, state and local laws and regulations. Hydros Consulting also shall possess, maintain and comply with all federal, state and local permits, licenses and certificates that may be required for it to perform the Work.

7. Hydros Consulting Records.

a. Hydros Consulting shall keep and maintain all reports, regulatory filings, test results, ledgers, books of account, invoices, vouchers, canceled checks, and other records and documents evidencing or relating to the Work and fees and charges for services, expenditures and disbursements charged to the CLIENT for a minimum period of four years (or for any longer period required by law) from the date this Agreement is terminated to Hydros Consulting for Work performed under this Agreement. The CLIENT may inspect and audit such books and records, including source documents, to verify all Work performed and all related charges, payments and reimbursable costs under this Agreement. Hydros Consulting shall be compensated for time and expenses related to any work related to said inspections and audits according to the rates for administrative services and materials and supplies provided in **Exhibit B**; provided that if such work occurs more than one year after, the rates in **Exhibit B** will be adjusted at 3-percent for each year up to a maximum of 15-percent.

b. The parties acknowledge that this Agreement, and performance and payments under it, are subject to examination and audit by the California Public Utilities Commission for three

years following final payment under the Agreement. Hydros Consulting shall be compensated for time and expenses related to any work related to said inspections and audits according to the rates for administrative services and materials and supplies provided in **Exhibit B**; provided that if such work occurs more than one year after termination of this Agreement, the rates in **Exhibit B** will be adjusted annually based on actual burdened costs.

9. Ownership of Documents. Every report, test result, regulatory filing, map, study, spreadsheet, worksheet, plan, blueprint, specification, drawing, map, photograph, computer model, computer disk, magnetic tape, CAD data file, GIS data file, computer software and any other document or thing prepared by Hydros Consulting under this Agreement (“Work Product”) shall be the property of the CLIENT, and the CLIENT shall have the right to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Hydros Consulting or any other party. Hydros Consulting may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and prepare derivative and additional documents or works based on any Work Product; provided, however, that Hydros Consulting shall not provide any Work Product to any third party without the CLIENT’s prior written approval, unless compelled to do so by legal process. If any Work Product is copyrightable, Hydros Consulting may copyright the same, except that, as to any Work Product that is copyrighted by Hydros Consulting, the CLIENT reserves a royalty-free, nonexclusive and irrevocable license to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product. If the CLIENT reuses or modifies any Work Product for a use or purpose other than that intended under this Agreement, then the CLIENT shall hold Hydros Consulting harmless against all claims, damages, losses and expenses arising from such reuse or modification. For Work Product provided to the CLIENT in paper format, upon request by the CLIENT, Hydros Consulting agrees to provide the Work Product to the CLIENT in an appropriate and usable electronic format (e.g., Word document, Excel spreadsheet, Adobe pdf, AutoCAD file), subject to the CLIENT compensating Hydros Consulting for time and expenses according to the rates for administrative services and materials and supplies provided in **Exhibit B** for providing any such electronic Work Product.

10. Insurance Coverage Provided by Hydros Consulting.

a. Hydros Consulting, at its sole cost and expense, shall procure and maintain for the duration of this Agreement the following types and limits of insurance:

<u>Type</u>	<u>Limits</u>	<u>Scope</u>
General liability	\$2,000,000 per occurrence & \$3,000,000 aggregate	at least as broad as ISO CG 0001
Automobile liability	\$2,000,000 per occurrence	at least as broad as ISO CA 0001 (Code 1, any auto)

Workers' compensation Statutory limits

b. The general liability, auto, and property and casualty policies will be endorsed to name the CLIENT, and its directors, officers, employees, authorized volunteers, and agents as additional insureds regarding liability arising out of this Agreement. Hydros Consulting shall provide all applicable certificates of insurance and additional insured endorsements to the CLIENT within ten days after execution of this Agreement. The policies shall contain no special limitations on the scope of protection afforded to the CLIENT, and its directors, officers, employees, authorized volunteers, and agents within the scope of risks arising from or related to the work performed. Each insurance policy will provide that coverage will not be canceled, except after 30 days' prior written notice to the CLIENT (10 days for non-payment of premium and fraud). The worker's compensation policy will be endorsed to include a waiver of subrogation against the CLIENT and its directors, officers, employees, volunteers, and agents.

c. Hydros Consulting's coverage will be primary and apply separately to each insurer against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The CLIENT's insurance or self-insurance, if any, will be excess and will not contribute with Hydros Consulting's insurance.

d. Insurance is to be written on policy forms acceptable to the CLIENT and be placed with insurers with a current A.M. Best's rating of A:VII or better unless otherwise acceptable upon notice to and acceptance by the CLIENT.

e. Upon execution of this Agreement and annually thereafter, Hydros Consulting will provide to the CLIENT the following proof of insurance: (a) certificate(s) of insurance evidencing this insurance; and (b) endorsement(s) on ISO Form CG 2010 (or insurer's equivalent), signed by a person authorized to bind coverage on behalf the insurer(s), and certifying the additional insured coverage.

f. The requirements as to the types, limits, and the CLIENT's approval of insurance coverage to be maintained by the Hydros Consulting are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Hydros Consulting under this Agreement. In addition, in the event any change is made in the insurance carrier, policies or nature of coverage required under this Agreement, Hydros Consulting shall notify the CLIENT prior to making such changes.

g. Hydros Consulting shall ensure that all required insurance coverages are maintained throughout the term of this Agreement. If any of the required coverages expire during the term of this Agreement, Hydros Consulting shall deliver renewal certificates and any required endorsements to the CLIENT at least 10 days before the expiration date.

h. Hydros Consulting must declare any deductible or self-insured retention and such must be approved by the CLIENT. At the CLIENT's sole option, Hydros Consulting may be required to either reduce or eliminate such deductibles or self-insured retentions.

11. Indemnification and Hold Harmless.

a. To the fullest extent permitted by law, Hydros Consulting shall indemnify, defend (with counsel mutually agreed upon) and hold harmless the CLIENT, and its directors, officers, employees, volunteers from and against any and all suits, actions, judgments, legal or administrative proceedings, arbitrations, claims, demands, damages, liabilities, interest, reasonable attorney's fees, fines, penalties, losses, costs and expenses regardless of nature or type ("claims" or "claim"), arising out of, pertaining to or in any way connected with the negligence, recklessness or willful misconduct of Hydros Consulting or arising out of or in any way related to the negligence, recklessness or willful misconduct of Hydros Consulting or its employees, agents, or subcontractors, or the agent, employee or subcontractor of any one of them, in the performance of their duties or in their operations under this Agreement, except where caused by the negligence or willful misconduct of the CLIENT or as otherwise provided or limited by law. The provisions of this indemnification provision shall survive the completion of the services under, or the termination of, this Agreement. Submission of insurance certificates or submission of other proof of compliance with the insurance requirements in this Agreement does not relieve Hydros Consulting or the CLIENT from liability under this indemnification and hold harmless provision. The obligations of this indemnity provision shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

b. To the fullest extent permitted by law, the CLIENT shall indemnify, defend (with counsel mutually agreed upon) and hold harmless Hydros Consulting, and its directors, officers, employees, subcontractors from and against any and all suits, actions, judgments, legal or administrative proceedings, arbitrations, claims, demands, damages, liabilities, interest, reasonable attorney's fees, fines, penalties, losses, costs and expenses regardless of nature or type ("claims" or "claim"), arising out of, pertaining to or in any way connected with the negligence, recklessness or willful misconduct of the CLIENT or arising out of or in any way related to the negligence, recklessness or willful misconduct of the CLIENT or its employees, agents, or subcontractors, or the agent, employee or subcontractor of any one of them, in the performance of their duties or in their operations under this Agreement, except where caused by the negligence or willful misconduct of Hydros Consulting or as otherwise provided or limited by law. The CLIENT specifically acknowledges that equipment and pipeline failures within the CLIENT's system are likely to occur in the future and that this indemnity provision is specifically intended to protect Hydros Consulting from liability for damage or injury caused by such facilities failures, except to the extent that any such failure results from the negligence or willful misconduct of Hydros Consulting.

12. Entire Agreement. This Agreement and the attached exhibits represent the sole, final, complete, exclusive, and integrated expression and statement of the terms of the agreement between the parties concerning the Work. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties to this Agreement. There are no written or oral agreements, conditions, representations, warranties, or promises with respect to the subject matter of this Agreement except those contained in or referred to in this writing.

13. Independent Contractor. It is expressly understood and agreed by the parties that

Hydros Consulting's relationship to the CLIENT is that of an independent contractor. All persons hired by Hydros Consulting and performing the Work shall be Hydros Consulting's employees or agents. The CLIENT shall not be obligated in any way to pay any wages or other claims by any such employees or agents or any other person by reason of this Agreement. Hydros Consulting shall be solely liable to such employees and agents for losses, costs, damages, or injuries by said employees or agents during the course of the Work.

14. Successors and Assignment. This Agreement shall be binding on, and inure to the benefit of, the heirs, successors, executors, administrators, and assigns of the parties; however, Hydros Consulting agrees that it will not assign, transfer, convey, or otherwise dispose of this Agreement or any part thereof, or its rights, title or interest therein, or its power to execute the same without the prior written consent of the CLIENT.

15. No Waiver of Rights. Any waiver at any time by either party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default. No payment by the CLIENT to Hydros Consulting shall be considered or construed to be an approval or acceptance of any Work or a waiver of any breach or default.

16. Notices. Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be deemed to be properly given if delivered, mailed or sent by facsimile or e-mail in the manner provided in this paragraph, to the following persons:

CLIENT	Hydros Consulting Inc.
Attn: Paul Fejes	Attn: Gerry LaBudde
PO Box 598	PO Box 81
Weimar, CA 95736	Weimar, CA 95736
Fax: (530) 637-4441	Fax: (530) 637-4441
E-mail: pfjejes@weimarwater.com	E-mail: glabudde@hydros-consulting.com

If sent by mail, any notice or other communication will be effective or deemed to have been given three days after it has been deposited in the United States mail, with postage prepaid, and addressed as set forth above. If sent by facsimile or e-mail, any notice or other communication will be deemed to have been given only after it has been confirmed in writing by the other party as received. If delivered personally or by overnight delivery service, any such notice or other communication will be deemed to have been given on the date of delivery. Either party may change that party's address or contact person by giving written notice of the change to the other party in the manner provided in this paragraph.

17. Subcontractors. No subcontract shall be awarded nor any outside contractor engaged by Hydros Consulting without the CLIENT's prior written approval. Any approved subcontractor shall be covered by Hydros Consulting's insurance in accordance with the insurance requirements of paragraphs 10 and 11 of this Agreement or such subcontractor services will be subject to a separate agreement between the CLIENT and the subcontractor.

18. **Interpretation.** The CLIENT and Hydros Consulting each had the opportunity to consult independent counsel in the negotiation and execution of this Agreement. For the purposes of interpretation of this Agreement, neither party will be deemed to have been its drafter.

19. **Licensing.** Hydros Consulting represents that it has sufficient personnel certified by the California Department of Public Health to act both as Chief Operator and Shift Operator of the CLIENT's water treatment and distribution systems. Hydros Consulting warrants that all of the above certifications and licenses are in good standing and will be kept in good standing during the term of this Agreement. Hydros Consulting shall also maintain a valid General Engineering A contractor's license issued by the California Contractors State License Board through the duration of the contract.

20. **Attorney's Fees.** The parties agree that in the event of controversy, claim or dispute between the parties hereto arising out of or relating to this agreement or the breach thereof the prevailing party shall be entitled in addition to such other relief as may be granted a reasonable sum as and for attorney's fees which shall be determined by the Arbitrator in any arbitration, Court in any litigation or in a separate action brought for that purpose.

21. **MEDIATION/ARBITRATION OF DISPUTES**

a. Any controversy between the parties involving the construction, application or performance of any of the terms, provisions, or conditions of this agreement shall, on the written request of either party served on the other, be submitted to mediation before a mediator acceptable to all parties. The mediation shall occur within 45 days of the initial request, unless extended by agreement of the parties. Should any party commence arbitration or court action based on a dispute or claim to which this Section applies, without first attempting to resolve the matter through mediation, then that party shall not be entitled to recover attorneys' fees, even if they would otherwise be available to that party in any such action or arbitration.

b. If the mediation is unsuccessful, either party may, within 5 days thereafter, serve a written request on the other demanding that the matter be submitted to binding arbitration.

c. **Exceptions to Mediation/Arbitration.** Neither mediation, nor arbitration is required under the following limited circumstances:

- i) If the matter is justiciable in small claims court, than the dispute shall be resolved through that court.
- ii) If the controversy to be arbitrated also involves third parties who are not willing to submit the matter to arbitration, and multiple proceedings would result from enforcement of this arbitration clause, then the dispute shall be resolved through the courts without referral to arbitration.

- iii) If it is alleged that irreparable harm would occur prior to the completion of the arbitration, a party may immediately apply for injunctive relief to prevent the irreparable harm, but the matter shall be stayed and submitted to mediation/arbitration after the Court has acted on the issue of injunctive relief.
- d. Except as provided herein, Arbitration shall comply with and be governed by the provisions of the California Arbitration Act, Section 1280 et.seq. of the California Code of Civil Procedure.
- e. Upon receipt of a notice of intent to arbitrate, the parties shall mutually agree on an arbitrator within 15 days. If they are unable to agree on a single arbitrator, each party shall appoint another individual as a selection arbitrator and the two selection arbitrators shall select a third impartial arbitrator to decide the matter within 30 days of notice of arbitration. If for any reason this process fails to result in the selection of an impartial arbitrator in a timely manner, either party may petition the Court for appointment of an arbitrator pursuant to CCP 1281.6.
- f. The decision of the Arbitrator, after close of the hearing, shall be final and conclusive upon the parties.
- g. The parties agree to do all acts necessary to expedite the arbitration proceedings such that the matter can be arbitrated within 90 days of service of the notice of intent to arbitrate.
- h. Upon a showing of good cause and the approval of the arbitrator, either party may obtain discovery necessary for the proof of their case. Provided that the arbitrator shall supervise the discovery process to insure that it is carried out in an expeditious manner and that it is not permitted to be unduly burdensome or delay the hearing.
- i. Up to the time of award, the cost of arbitration shall be split by the parties. In the event a party fails to pay their share in a timely fashion, the Arbitrator shall treat the omission as a default and enter judgment in favor of the other party. The Arbitrator may award the prevailing party reimbursement for any fees and expenses incurred, including arbitration costs paid, or allocate the attorneys fees and expenses between the parties in such proportions as the Arbitrator decides is just and reasonable.
- j. The Arbitrator shall make his or her decision in writing. In making his or her decision, the arbitrator shall follow California Law and shall have authority to impose any appropriate remedy permitted under California Law. Either party may seek clarification or reconsideration of the award within 10 days of issuance.
- k. Mediation and Arbitration Confidentiality. All proceedings and all documents prepared in connection with any Arbitrable Claim shall be confidential and, unless otherwise required by law, the subject matter thereof shall not be disclosed to any person other than the parties to the proceedings, their counsel, witnesses and experts, the mediator, the arbitrator, and, if involved, the court and court staff. All documents filed

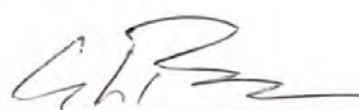
with the arbitrator or with a court shall be filed under seal. The parties shall stipulate to all arbitration and court orders necessary to effectuate fully the provisions of this Section concerning confidentiality.

IN WITNESS WHEREOF, the parties execute this Agreement on the day and year first above written.

CLIENT:

HYDROS CONSULTING:

By: 
Paul Fejes
Vice President

By: 
Gerry O. LaBudde
CFO

1-6-2015

1-5-2015

EXHIBIT A

SCOPE OF WORK

Administrative/Management

1. Customer service – answer calls and respond to customer questions and concerns.
2. Meter reading and preparation of customer billings.
3. Maintain regulatory documentation and submit various reports on monthly/annual basis.
4. Interface with California Public Utilities Commission for regulatory oversight.
5. Interface with other consultants and contractors performing work directly for Weimar Water Co.
6. Track and manage accounts payable and receivable.
7. Filing and record keeping.

Routine Maintenance

1. Reservoir/reservoir inspection and maintenance of log
2. Basic cleaning in buildings (sweeping, wipe down equipment, clean counters, dust)
3. Checks of raw water pump station
4. Inspection of air system for pneumatic valve operation.
5. Removal of floating debris on sedimentation basin.
6. Daily recordkeeping of plant activities and rounds.
7. Testing of raw water and finished water pH.
8. Testing of sedimentation basin turbidity.
9. Bench test chlorine residual and verify online units are working properly.
10. Batching of soda ash and alum mixtures.
11. Verification of chemical pump operation -soda ash, alum, chlorine.
12. pH testing in sedimentation basin for treatment efficiency.
13. Inspection of flocculator operation.
14. Inspection of streaming current monitor operation.
15. Verification of productivity flow to match chemicals dosages and demand
16. Verification of pump basin level to meet production
17. Adjust chemical dosages as needed to ensure compliance with treatment requirements (alum, chlorine, soda ash)

18. Calibration of equipment according to regulatory and manufacturer's requirements.
19. Cleaning of turbidimeters as needed and verify flow rate.
20. Calibration of chemical feed pumps, mL per minute.
21. Clean and minor repair of chemical feed pumps.
22. Backwash filters as determined by daily rounds and filter performance.
23. Facilitation of State required water quality testing – sampling and laboratory cost not included.
24. Respond to California Department of Public Health questions and requests.
25. Attend CDPH inspections at the facility and respond to inspection report – work that results from inspections may not fall under normal operations and handled on a case by case basis.
26. Analyze lab test results and record.
27. Monthly reports completed and sent to CDPH for turbidity and bacteria.
28. Updating of turbidity recordings.
29. Operation of backwash return system.
30. Landscaping and cleanup in Weimar Water Yard.
31. Coordination of chemical inventory and ordering, delivery, and storage of chemicals.
32. Cleaning, maintain and calibrate instruments (streaming current monitor, pH meter, chlorine analyzer) – material and calibration supplies on cost basis.
33. Clearing of streaming current feed line.
34. Greasing of pumps and flocculator drives.

EXHIBIT B

**HYDROS CONSULTING
FEE SCHEDULE
2014/15**

Fees are based on employee burdened costs and provide a small margin on work. Rates will be adjusted as needed depending on burdened rates and concert with minimizing profits from operation of Weimar Water.

Staff	Burdened Rate
Gerry LaBudde	\$65.00
Heidi LaBudde	\$40.00
Paul Fejes	\$65.00
Austin Perry	\$28.00
Daniel Stephens	\$35.00
Mimi Scott	\$25.00
<u>Fred Fahlen</u>	\$55.00