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CLASS B and C
WATER UTILITIES

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APR 5 - 2007
UTILITY AUDIT, FINANCE AND
COMPLIANCE BRANCH WATER DIVISION

U# _____

2006
ANNUAL REPORT
OF

ALISAL WATER CORPORATION

ALCO WATER SERVICE

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

249 Williams Road, Salinas, CA 93905

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2006

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2007
(FILE TWO COPIES IF THREE RECEIVED)

N=C

INSTRUCTIONS

1. One completed copy of this report (two copies if three received) must be filed **NOT LATER THAN MARCH 31**, following the year covered by the report, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION
ATTN: KAYODE KAJOPAIYE
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298**

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath, on the last page, must be signed by an officer, partner or owner.
4. The report must be prepared in ink or by the use of a typewriter. Computer generated report forms may be substituted.
5. The report must be filled in, and every question answered. **LEAVE NO SCHEDULE BLANK.** Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Certain balance sheet and income statement accounts refer to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

INSTRUCTIONS

FOR PREPARATION OF

SELECTED FINANCIAL DATA SHEET

FOR CLASS A, B, C AND D, 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 instruction 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.

NAME OF UTILITY ALCO WATER SERVICEPHONE (831) 424-0441PERSON RESPONSIBLE FOR THIS REPORT Marino A. Rodriguez

(Prepared from Information in the 2006 Annual Report)

	1/1/2006	12/31/2006	Average
BALANCE SHEET DATA			
1 Intangible Plant	20,325	15,341	17,833
2 Land and Land Rights	262,046	455,676	358,861
3 Depreciable Plant	24,617,168	25,422,172	25,019,670
4 Gross Plant in Service	24,899,539	25,893,189	25,396,364
5 Less: Accumulated Depreciation	(7,458,489)	(7,299,234)	(7,378,862)
6 Net Water Plant in Service	17,441,050	18,593,955	18,017,503
7 Water Plant Held for Future Use			-
8 Construction Work in Progress	774,137	107,556	440,847
9 Materials and Supplies	10,000	10,000	10,000
10 Less: Advances for Construction	(3,629,418)	(4,596,124)	(4,112,771)
11 Less: Contribution in Aid of Construction	(5,588,205)	(6,572,859)	(6,080,532)
12 Less: Accum Deferred Income and Investment Tax Credits	(904,279)	(883,225)	(893,752)
13 Net Plant Investment	8,103,285	6,659,303	7,381,294
CAPITALIZATION			
14 Common Stock	89,063	89,063	89,063
15 Proprietary Capital (Individual or Partnership)	(55,761)	(55,761)	(55,761)
16 Paid-in Capital	101,740	-	50,870
17 Retained Earnings	861,730	1,495,722	1,178,726
18 Common Stock and Equity (Lines 14 through 17)	996,772	1,529,024	1,262,898
19 Preferred Stock			-
20 Long-Term Debt	492,158	1,450,253	971,206
21 Notes Payable	5,173,936	5,561,147	5,367,542
22 Total Capitalization (Lines 18 through 21)	6,662,866	8,540,424	7,601,645

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	1,062
24 Fire Protection Revenue	19,517
25 Irrigation Revenue	-
26 Metered Water Revenue	5,298,537
Other Water Revenue	21,135
27 Total Operating Revenue	5,340,251
28 <u>Operating Expenses</u>	3,658,955
29 Depreciation Expense (Composite Rate 2.5724%)	474,232
30 Amortization and Property Losses	-
31 Property Taxes	89,868
32 Taxes Other Than Income Taxes	248,505
33 Total Operating Revenue Deduction Before Taxes	4,471,560
34 California Corp. Franchise Tax	36,707
35 Federal Corporate Income Tax	134,310
36 Total Operating Revenue Deduction After Taxes	4,642,577
37 Net Operating Income (Loss) - California Water Operations	697,674
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	259,595
39 Income Available for Fixed Charges	957,269
40 Interest Expense	596,922
41 Net Income (Loss) Before Dividends	360,347
42 Preferred Stock Dividends	-
43 Net Income (Loss) Available for Common Stock	360,347
OTHER DATA	
44 Refunds of Advances for Construction	31,074
45 Total Payroll Charged to Operating Expenses	1,165,625
46 Purchased Water	-
47 Power	477,726

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections*		8,993	8,980	8,987
49 Flat Rate Service Connections (Fire Service)		97	89	93
50 Total Active Service Connections		9,090	9,069	9,080

*The January 1, 2006 connections include Normco (368) and Moss Landing (128), these systems are reported in a separate annual report as Alco was not operating these systems in 2006.
The 12/31/06 connections include Alco's Salinas District and Buena Vista and San Jerardo water systems.

Below are is the number of connections for Alco's Salinas District segregated by Salinas, Buena Vist and San Jerardo:

	Jan. 1	Dec. 31	Annual Average
Salinas - Metered Service Connections	8,276	8,745	8,511
Salinas - Flat Rate Service Connections (Fire Service)	85	89	87
Buena Vista - Metered Service Connections	167	170	169
San Jerardo - Metered Service Connections	66	66	66
Total Active Service Connections	8,594	9,070	8,832

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 200 .

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter

Row Number	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue derived from Non-Tariffed Good/Service (by account)	Revenue Account Number	Total Expenses incurred to provide Non-Tariffed Good/Service (by Account)	Expense Account Number	Advice Letter and/or Resolution Number approving Non-Tariffed Good/Service	Total Income Tax Liability incurred because of non-tariffed Good/Service (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets used in the provision of a Non-Tariffed Good/Service (by account).	Regulated Asset Account Number

N/A

**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: _____
Address: _____
Phone Number: _____
Date Hired: _____

2. Former Fiscal Agent:

Name: _____ N/A
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: _____

**CLASS B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA (continued)**

6. Plant amounts included in Schedule A-1a, 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		N/A			
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					

GENERAL INFORMATION

- 1 Name under which utility is doing business:
Alco Water Service
- 2 Official mailing address:
249 Williams Road, Salinas, CA ZIF 93905
- 3 Name and title of person to whom correspondence should be addressed:
Thomas R. Adcock, Vice President Tel (831) 424-0441
- 4 Address where accounting records are maintained:
249 Williams Road, Salinas, CA
- 5 Service Area: (Refer to district reports if applicable.)
East Salinas vicinity
- 6 Service Manager (if located in or near Service Area): (Refer to district reports if applicable.)
 Name: _____
 Address: _____ Telephone: _____

7 OWNERSHIP. Check and fill in appropriate line:

- | | |
|----------|--|
| | Individual (name of owner) _____ |
| | Partnership (name of partner) _____ |
| | Partnership (name of partner) _____ |
| | Partnership (name of partner) _____ |
| X | Corporation (corporate name <u>Alisal Water Corporation</u>
Organized under laws of (state) <u>California</u>) |

Principal Officers:

(Name)	Robert T. Adcock	(Title)	President
(Name)	Thomas R. Adcock	(Title)	Vice President
(Name)	Patricia Adcock	(Title)	Secretary
(Name)	_____	(Title)	_____

- 8 Names of associated companies:
Toro Water Service, Inc.
California Utilities Service, Inc.
- 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:
 _____ Date: _____
 _____ Date: _____
 _____ Date: _____
 _____ Date: _____

10 Use the space below for supplementary information or explanations concerning this report:
This report includes the financial information of Alco Water Service Salinas District which includes the Salinas Division and Buena Vista and San Jerardo water systems. The Buena Vista and San Jerardo water Systems are under receivership. However, Alco's Salinas Division is not part of the receivership process. Alco's Normco and Moss Landing Districts, which are under receivership, are being filed through a separate 2006 Consolidated Annual Report by the court appointed receiver.

11 List Name, Grade, and License Number of all Licensed Operators:

Name	Treatment License #	Treatment Grade	Distribution License #	Distribution Grade
Thomas R. Adcock	17011	4	22462	3
Octavio Castillo	16660	2	N/A	N/A
Adam Souza	20785	2	22458	2
Andrea Schmitz	23026	2	19083	2
Lynette Snow	23038	2	19084	2
Matt Best	26798	1	29577	1
Andrew Clarke	N/A	N/A	30053	2

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Assets and other Debits

Line No.	Acct. No.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		UTILITY PLANT			
2	101	Water plant in service	A-1	25,893,189	24,899,538
3	103	Water plant held for future use	A-1 & A-1b		
4	104	Water plant purchased or sold	A-1	29,000	29,000
5	105	Water plant construction work in progress	A-1	107,556	774,138
6		Total utility plant		26,029,745	25,702,676
7	106	Accumulated depreciation of water plant	A-3	(7,299,233)	(7,458,489)
8	114	Water plant acquisition adjustments	A-1	(30,592)	(34,719)
9		Total amortization and adjustments		(7,329,825)	(7,493,208)
10		Net utility plant		18,699,920	18,209,468
11		INVESTMENTS			
12	121	Non-utility property and other assets		24,342	24,342
13	122	Accumulated depreciation of non-utility property	A-3		
14		Net non-utility property		24,342	24,342
15	123	Investments in associated companies		125,102	102
16	124	Other investments			
17		Total investments		149,444	24,444
18		CURRENT AND ACCRUED ASSETS			
19	131	Cash		10,676	12,124
20	132	Special accounts		-	2,049
21	141	Accounts receivable - customers		332,924	220,838
22	142	Receivables from associated companies		2,211,325	752,434
23	143	Accumulated provision for uncollectible accounts		(30,605)	(11,066)
24	151	Materials and supplies		10,000	10,000
25	174	Other current assets		244,184	742,403
26		Total current and accrued assets		2,778,504	1,728,782
27	180	Deferred charges	A-5	1,439,334	1,277,211
28		Total assets and deferred charges		23,067,202	21,239,905

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct. No.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		CORPORATE CAPITAL AND SURPLUS			
2	201	Common stock	A-6	89,063	89,063
3	204	Preferred stock	A-6	(55,761)	(55,761)
4	211	Other paid-in capital	A-8		101,740
5	215	Retained earnings	A-9	1,488,996	861,730
6		Total corporate capital and retained earnings		1,522,298	996,772
7		PROPRIETARY CAPITAL			
8	218	Proprietary capital	A-10		
9	218.1	Proprietary drawings			
10		Total proprietary capital		-	-
11		LONG TERM DEBT			
12	224	Long term debt	A-11	1,450,253	492,158
13	225	Advances from associated companies	A-12	-	-
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		682,648	2,480,599
16	232	Short term notes payable		5,561,147	5,173,936
17	233	Customer deposits		115,314	145,859
18	235	Payables to associated companies	A-13	-	-
19	236	Accrued taxes		70,735	481,059
20	237	Accrued interest		148,939	-
21	241	Other current liabilities	A-14	1,055,756	757,119
22		Total current and accrued liabilities		7,634,539	9,038,572
23		DEFERRED CREDITS			
24	252	Advances for construction	A-15	4,596,124	3,629,418
25	253	Other credits		2,313,175	590,501
26	255	Accumulated deferred investment tax credits	A-16	67,703	71,815
27	282	Accumulated deferred income taxes - ACRS depreciation	A-16	815,522	832,464
28	283	Accumulated deferred income taxes - other	A-16		
29		Total deferred credits		7,792,524	5,124,198
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	A-17	6,572,859	7,534,651
32	272	Accumulated amortization of contributions		(1,905,271)	(1,946,446)
33		Net contributions in aid of construction		4,667,588	5,588,205
34		Total liabilities and other credits		23,067,202	21,239,905

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Pit Additons During year (c)	Pit Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service	24,899,538	4,206,735	(48,000)	(3,165,084)	25,893,189
2	103	Water plant held for future use	-				-
3	104	Water plant purchased or sold	22,700				22,700
4	105	Construction work in progress - water plant	774,138		xxxxxxxxxxxx	(666,582)	107,556
5	114	Water plant acquisition adjustments	(34,719)		xxxxxxxxxxxx		(34,719)
6		Total utility plant	25,661,657	4,206,735	(48,000)	(3,831,666)	25,988,726

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

\$3,165,084 in Other Debits or (Credits) is represents water plant as of 1/1/06 of the Normco and Moss Landing Districts being reported in a separate Annual Report.

\$666,582 in Other Debits or (Credits) is the reduction of CWIP that was booked as plant in 2006.

**SCHEDULE A-1a
Account No. 101 - Water Plant in Service**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Pit Additons During year (c)	Pit Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant	20,325			(4,984)	15,341
3	303	Land	262,046	225,000		(31,371)	455,675
4		Total non-depreciable plant	282,371	225,000	-	(36,355)	471,016
5		DEPRECIABLE PLANT					
6	304	Structures	916,727	123,643		(194,345)	846,025
7	307	Wells	891,136	194,674		(105,027)	980,783
8	317	Other water source plant	108,584	-		-	108,584
9	311	Pumping equipment	1,944,491	263,667		(379,545)	1,828,613
10	320	Water treatment plant	473,288	16,614		(60,277)	429,625
11	330	Reservoirs, tanks and sandpipes	983,352	-		(528,230)	455,122
12	331	Water mains	12,272,580	2,632,656		(1,391,614)	13,513,622
13	333	Services and meter installations	3,365,548	452,283		(291,447)	3,526,384
14	334	Meters	1,690,502	109,026	(48,000)	(30,330)	1,721,198
15	335	Hydrants	192,745	-		(114,484)	78,261
16	339	Other equipment	1,147,278	70,966		(25,143)	1,193,101
17	340	Office fumiture and equipment	413,138	6,807		(8,287)	411,658
18	341	Transportation equipment	217,798	111,399		-	329,197
19		Total depreciabel plant	24,617,167	3,981,735	(48,000)	(3,128,729)	25,422,173
20		Total water plant in service	24,899,538	4,206,735	(48,000)	(3,165,084)	25,893,189

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

SCHEDULE A-1b
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	N/A			
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	Land	24,342
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	24,342

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

Line No.	Item (a)	Account 106 Water Plant (b)	Account 106.1 SDWBA Loans (c)	Account 122 Non-utility Property (d)
1	Balance in reserves at beginning of year	7,458,489		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	474,232		
4	(b) Charged to Account No 272	179,728		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	653,960		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	(48,000)		
11	(b) Cost of removal	(22,645)		
12	(c) All other debits (Footnote 3)	(742,570)		
13	Total debits	(813,215)		
14	Balance in reserve at end of year	7,299,234		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			2.5724%
16				
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS:			
24	Accumulated Depreciation balance for Normco and Moss Landing Districts as of 1/1/06, which have been filed			
25	through a separate Annual Report.			
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION			
30	(a) Straight line	<input type="checkbox"/>		
31	(b) Liberalized	<input type="checkbox"/>		
32	(1) Sum of the years digits	<input type="checkbox"/>		
33	(2) Double declining balance	<input type="checkbox"/>		
34	(3) Other	<input type="checkbox"/>		
35	(c) Both straight line and liberalized	<input checked="" type="checkbox"/>		

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

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 Excl. Cost of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures	307,165	25,879		(42,073)	290,971
2	307	Wells	341,833	29,154	(22,645)	(34,359)	313,983
3	317	Other water source plant	2,123	942		-	3,065
4	311	Pumping equipment	989,418	67,412		(139,724)	917,106
5	320	Water treatment plant	148,802	28,228		(23,918)	153,112
6	330	Reservoirs, tanks and sandpipes	251,742	10,455		(109,428)	152,769
7	331	Water mains	2,642,739	243,946		(262,063)	2,624,622
8	333	Services and meter installations	1,042,497	95,707		(65,973)	1,072,231
9	334	Meters	474,552	66,951	(48,000)	(4,672)	488,831
10	335	Hydrants	69,249	2,337		(28,899)	42,687
11	339	Other equipment	836,966	30,292		(26,390)	840,868
12	340	Office furniture and equipment	282,320	18,471		(5,071)	295,720
13	341	Transportation equipment	69,083	34,187			103,270
14		Total	7,458,489	653,961	(70,645)	(742,570)	7,299,235

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

Line No.	Item (a)	Amount (b)
1	Prepaid Expenses	67,248
2	Deposits	91,452
3	Other	85,484
4		
5		
6		
7		
8		
9		
10	Total	244,184

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 unamortized 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 debt (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									
4									
5									
6									
7									
8									
9									
10									
11									
12				N/A					
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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		Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
			Authorized by Articles of Incorporation (c)	Par or Stated Value (d)			Rate (g)	Amount (h)
1	Common		11,250	No Par	11,250	89,063		
2								
3								
4								
5								
6							Total	

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK Name (a)		PREFERRED STOCK Name (c)	Number of Shares (d)
1	Robert T. Adcock	7,900		
2	ESOT	1,677		
3	Alco Water Service - Treasury Stock	1,673		
4				
5				
6				
7	Total number of shares	11,250	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	Total	-

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

Line No	Item (a)	Amount (b)
1	Balance beginning of year	861,730
2	CREDITS	
3	Net income	360,347
4	Prior period adjustments	
5	Other credits (detail)	266,919
6	Total credits	627,266
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	1,488,996

Other Credits are the retained earnings for Normco and Moss Landing Districts as of 1/1/06. These two districts are reported in a separate annual report.

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	
3	Net income	
4	Additional investments during year	N/A
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)	Rate of Interest (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1	Money Store Corp. (Wachovia SBC)		Apr-94	Apr-09	415,000	107,118	(Var)	13,671		13,671
2	R. T. Adcock (Advances)		(various)	Demand	210,000	101,425	12.00%	12,171		-
3	Caterpillar Financial (Capital Lease)		Oct-04	Sep-08	238,573	109,732	4.80%	6,750		6,750
4	Caterpillar Financial (Capital Lease)		Jan-05	Dec-08	29,716	16,493	8.00%	1,386		1,386
5	Enterprise (Capital Lease)		Dec-05	Aug-10	53,783	41,685	8.90%	4,542		4,542
6	4M Development (Capital Lease)		Nov-06	Nov-08	1,073,800	1,073,800	9.50%	11,179		-
7	Total					1,450,253		49,700		26,350

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		N/A			
3					
4	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					
2		N/A			
3					
4	Totals				

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

Line No.	Description (a)	Balance End of Year (b)
1	Employee Pension Plan and 401(k)	378,974
2	Payroll Accrual	165,959
3	Other	510,823
4		
5	Totals	1,055,756

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

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	XXXXXXXXXXXXXXXXXX	3,629,418
	Less: Normco & Moss Landing Advances	XXXXXXXXXXXXXXXXXX	(292,595)
	Subtotal - Beginning balance less additions during year	XXXXXXXXXXXXXXXXXX	3,336,823
2	Additions during year	XXXXXXXXXXXXXXXXXX	2,017,221
	Less: Advance not in Plant Accounts as of 12/31/06	XXXXXXXXXXXXXXXXXX	(726,846)
3	Subtotal - Beginning balance plus additions during year	XXXXXXXXXXXXXXXXXX	4,627,198
4	Charges during year:	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
5	Refunds	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
6	Percentage of revenue basis		XXXXXXXXXXXXXXXXXX
7	Proportionate cost basis	31,074	XXXXXXXXXXXXXXXXXX
8	Present worth basis		XXXXXXXXXXXXXXXXXX
9	Total refunds	31,074	XXXXXXXXXXXXXXXXXX
10	Transfers to Acct. 271, Contributions in aid of Construction	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
11	Due to expiration of contracts		XXXXXXXXXXXXXXXXXX
12	Due to present worth discount		XXXXXXXXXXXXXXXXXX
13	Total transfers to Acct. 271		XXXXXXXXXXXXXXXXXX
14	Securities Exchanged for Contracts (Enter detail below)		XXXXXXXXXXXXXXXXXX
15	Subtotal - charges during year		-
16	Balance end of year	XXXXXXXXXXXXXXXXXX	4,596,124

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	Accumulated Deferred Investment Tax Credit	67,703		
2	Accumulated Deferred Income Taxes		815,522	
3				
4				
5	Totals	67,703	815,522	-

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 nondepreciable 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. 106, 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. 106. 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 nondepreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such nondepreciable 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.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year	5,588,205	5,588,205			
2	Add: Credits to account during year					
3	Contributions received during year	47,166	47,166			
4	Other credits*					
5	Total credits	47,166	47,166			
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	179,728	179,728			
8	Nondepreciable donated property retired					
9	Other debits*	788,055	788,055			
10	Total debits	967,783	967,783			
11	Balance end of year	4,667,588	4,667,588			

* Indicate nature of these items and show the accounts affected by the contra entries
 Other Debits are related to Normco and Moss Landing CIAC as of 1/1/06. Normco and Moss Landing filed a separate Consolidated Annual Report was filed for Normco and Moss Landing.

SCHEDULE B-1
Account No. 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceeding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		WATER SERVICE REVENUES			
2	460	Unmetered water revenue			
3		460.1 Single - family residential	1,062	1,929	(867)
4		460.2 Commercial and multi-residential			-
5		460.3 Large water users			-
6		460.5 Safe Drinking Water Bond Surcharge			-
7		460.9 Other unmetered revenue			-
8		Sub-total	1,062	1,929	(867)
9	462	Fire protection revenue			
10		462.1 Public fire protection			-
11		462.2 Private fire protection	19,517	10,405	9,112
12		Sub-total	19,517	10,405	9,112
13	465	Irrigation revenue	279,659	173,098	106,561
14	470	Metered water revenue			
15		470.1 Single-family residential	3,701,825	3,104,237	597,588
16		470.2 Commercial and multi-residential	1,141,277	711,304	429,973
17		470.3 Large water users			-
18		470.5 Safe Drinking Water Bond Surcharge			-
19		470.9 Other metered revenue (Ind/School)	175,776	167,974	7,802
20		Sub-total	5,018,878	3,983,515	1,035,363
21		Total water service revenues	5,319,116	4,168,947	1,150,169
22	480	Other water revenue	21,135	20,130	1,005
23		Total operating revenues	5,340,251	4,189,077	1,151,174

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 [Brackets] (d)
1		PLANT OPERATION AND MAINTENANCE EXPENSES			
2		VOLUME RELATED EXPENSES			
3	610	Purchased water		-	-
4	615	Power	477,726	426,666	51,060
5	616	Other volume related expenses	6,395	4,791	1,604
6		Total volume related expenses	484,121	431,457	52,664
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor	605,233	493,821	111,412
9	640	Materials	86,387	41,286	45,101
10	650	Contract work	122,655	72,228	50,427
11	660	Transportation expenses	365,766	331,337	34,429
12	664	Other plant maintenance expenses	60,209	49,471	10,738
13		Total non-volume related expenses	1,240,250	988,143	252,107
14		Total plant operation and maintenance exp.	1,724,371	1,419,600	304,771
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	408,527	375,895	32,632
17	671	Management salaries	151,865	138,745	13,120
18	674	Employee pensions and benefits	483,335	393,233	90,102
19	676	Uncollectible accounts expense	19,539	-	19,539
20	678	Office services and rentals	73,994	72,990	1,004
21	681	Office supplies and expenses	112,003	104,150	7,853
22	682	Professional services	372,322	457,459	(85,137)
23	684	Insurance	214,495	194,342	20,153
24	688	Regulatory commission expense	10,554	1,654	8,900
25	689	General expenses	87,950	57,927	30,023
26		Total administrative and general expenses	1,934,584	1,796,395	138,189
27	800	Expenses capitalized	-	-	-
28		Net administrative and general expense	1,934,584	1,796,395	138,189
29		Total operating expenses	3,658,955	3,215,995	442,960

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	89,868		
2	State corporate franchise tax	36,707		
3	State unemployment insurance tax	13,573		
4	Other state and local taxes	153,826		
5	Federal unemployment insurance tax	1,803		
6	Federal insurance contributions act	79,303		
7	Other federal taxes	-		
8	Federal income taxes	134,310		
9				
10				
11	Totals	509,390	-	-

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 among the group members.

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 4	360,347
2		
3	Plus:	
4	Book Depreciation	474,232
5	Taxable CIAC	60,537
6	Other	24,027
7		
8	Subtotal	919,143
9		
10	Minus:	
11	Grant San Jerardo	37,000
12	Tax Depreciation (Approx.)	715,474
13	Other Deductions	22,322
14		
15	Estimated Taxable Income	144,347
16		

Note: The 2006 corporate tax returns for Alco Water Service have not been filed at the time this annual report was filed. Therefore, some of the amounts reported in this schedule are estimated.

Members of Consolidated Tax Group:
 Alco Water Service
 Toro Water Service
 California Utilities Service

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

Line No.	Description (a)	Revenues Acct. 421 (b)	Expenses Acct. 426 (c)
1	Dividend Income	284	
2	Reimbursed Expense	14,454	
3	Other Income & Expenses - Prior Years	255,496	
4	Misc Revenue	15,335	
5	Miscellaneous Non-Utility Expense		25,974
6	Total	285,569	25,974

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Short Term Debt Interest	547,222
2	Long Term Debt Interest	49,700
3		
4		
5		
6		
7		
8		
9		
10	Total	596,922

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	20	605,233	314,122	919,355
2	670	Office salaries	9	408,527	-	408,527
3	671	Management salaries	1	151,865	11,182	163,047
4						
5						
6		Total	30	1,165,625	325,304	1,490,929

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				N/A				
4								
5								
6								
7	Total							

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

Line No.	<p>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.</p>
1	1. Did the respondent have a contract or other agreement with any organization or person covering supervision
2	and/or management of its own affairs during the year? Answer: (Yes or No) Yes, by court order dated 4/9/02
3	(If the answer is in the affirmative, make appropriate replies to the following questions)*
4	2. Name of each organization or person that was a party to such a contract or agreement.
5	John W. Richardson & Associates
6	3. Date of original contract or agreement. 4/9/2002
7	4. Date of each supplement or agreement.
8	5. Amount of compensation paid during the year for supervision or management \$ 146,459
9	6. To whom paid John Richardson, Receiver
10	7. Nature of payment (salary, traveling expenses, etc.).
11	8. Amounts paid for each class of service.
12	
13	9. Basis for determination of such amounts
14	
15	10. Distribution of payments: Amount
16	(a) Charged to operating expenses \$
17	(b) Charged to capital amounts \$
18	(c) Charged to other account \$
19	Total \$
20	11. Distribution of charges to operating expenses by primary accounts
21	Number and Title of Account Amount
22	\$
23	\$
24	\$
25	Total \$
26	12. What relationship, if any, exists between respondent and supervisory and/or managing concerns?
27	
<p>* 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.</p>	

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								
4								
5								
WELLS						Pumping Capacity (Unit) 2	Annual Quantities Pumped (Unit) 2	Remarks
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water			
6								
7		See Attachment 1						
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								
13								
14								
15								
Purchased Water for Resale								
16	Purchased from							
17	Annual Quantities purchased					(Unit chosen) :		
18								
19								
<p>* State ditch pipeline reservoir, etc., with name, if any.</p> <p>1 Average depth to water surface below ground surface</p> <p>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	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			
2	Concrete			
3	Earth			
4	Wood			
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal			
12	Concrete	3	150,000	Gallons
13	Totals	3	150,000	Gallons

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.		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								
4									
5	Totals								

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES - Concluded

Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____

Line No.		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	Lines conduit								
9									
10	Totals								

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING

Line No.		1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron									
12	Cast iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw									
17	Screw or welded casing									
18	Cement - asbestos			1,075		35,782	75,994	450	55,074	29,605
19	Welded steel									
20	Wood									
21	Other (specify) Plastic	6,288		322		2,220	21,087		105,233	59,572
22	Totals	6,288	-	1,397	-	38,002	97,081	450	160,307	89,177

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - Concluded

Line No.		10	12	14	16	18	20	Other Sizes (Specify Sizes)		Total All Sizes
								24	30	
23	Cast Iron									-
24	Cast iron (cement lined)									-
25	Concrete									-
26	Copper									-
27	Riveted steel									-
28	Standard screw									-
29	Screw or welded casing									-
30	Cement - asbestos	2,540	16,003							216,523
31	Welded steel									-
32	Wood									-
33	Other (specify) Plastic	2,124	94,401		12,691	14,330	20	2,182	6,000	326,470
34	Totals	4664	110404	0	12691	14330	20	2182	6000	542993

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

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
	Single family residential	8,186	8,204	
Commercial and Multi-resider	651	627		
Large water users				
Public authorities				
Irrigation	101	93		
Other (specify) - Fire Protection			57	49
Industrial/ School	55	55		
Subtotal	8,993	8,979	57	49
Private fire connections			40	40
Public fire hydrants				
Total	8,993	8,979	97	89

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

Size	Meters	Services
5/8 x 3/4 - in	1,948	xxxxxxxxxxx
3/4 - in	2,222	4,170
1 - in	3,035	3,035
1 1/2 - in	1,550	1,550
2 - in	171	171
3 - in	34	34
4 - in	14	14
6 - in	4	4
Other	1	1
Total	8,979	8,979

**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 . . .	_____
2. Used, before repair	_____
3. Used, after repair	_____
4. Found fast, requiring billing adjustment	_____
B. Number of Meters In Service Since Last Test	
1. Ten years or less	8,832
2. More than 10, but less than 15 years	117
3. More than 15 years	30

**SCHEDULE D-7
Water delivered to Metered Customers by Months and Years In 100 Cubic Feet (Unit Chosen):**

Classification of Service	During Current Year							Subtotal
	January	February	March	April	May	June	July	
Single-family residential	83,645	79,783	76,231	77,538	105,958	133,541	154,265	710,961
Commercial and Multi-residential	34,891	31,870	33,796	31,188	43,631	46,333	53,171	274,880
Large water users								-
Public authorities								-
Irrigation	1,763	1,434	1,692	2,468	3,439	9,340	16,315	36,451
Other (School/Industrial)	7,096	2,799	1,444	1,445	2,147	4,119	12,522	31,572
Total	127,395	115,886	113,163	112,639	155,175	193,333	236,273	1,053,864

Classification of Service	During Current Year					Subtotal	Total	Total Prior Year
	August	September	October	November	December			
Single-family residential	162,894	141,956	129,809	116,820	93,064	644,543	1,355,504	1,403,417
Commercial and Multi-residential	56,294	51,483	47,672	45,749	39,576	240,774	515,654	562,895
Large water users						-	-	-
Public authorities						-	-	-
Irrigation	20,062	15,306	14,070	7,895	5,057	62,390	98,841	97,464
Other (School/Industrial)	8,715	8,696	5,592	4,047	3,263	30,313	61,885	31,548
Total	247,965	217,441	197,143	174,511	140,960	978,020	2,031,884	2,095,324

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

Total acres irrigated _____

Total population served _____ 32,324

The 2006 consumption for Alco's Salinas District which includes the Salinas, Buena Vista and San Jerardo Water Systems. Below is the breakdown of 2006 total consumptions for each water system.

Salinas	1,954,232
Buena Vista	64,280
San Jerardo	13,372
Total	<u>2,031,884</u>

SCHEDULE D-8
Status With State Board of Public Health

1	Has the State or Local Health Department reviewed the sanitary condition of your water system during the past year? Yes	
2	Are you having routine laboratory tests made of water served to your consumers?	Yes
3	Do you have a permit from the State Board of Public Health for operation of your water system?	Yes
4	Date of permit: <u>9/9/1971</u>	5 If permit is "temporary", what is the expiration date?
6	If you do not hold a permit, has an application been made for such permit?	7 If so, on what date?

SCHEDULE D-9
Statement of Material Financial Interest

Use this space to report the information required by Section 2 of General Order No. 104-A. If no material financial interest existed during the year or contemplated at the end of the year, such fact shall be so stated. If additional space is required, attach a supplementary statement with reference made thereto.

None

DECLARATION
Before Signing, Please Check to See That All Schedules Have Been Completed
(See instruction 3 on front cover)

I, the undersigned _____ Thomas R. Adcock _____
Officer, Partner or Owner

of _____ Alco Water Service _____
Name of Utility

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period from and including January 1, 2006 (date)

to and including December 31, 2006.
(date)

SIGNED Thomas R. Adcock

Title Vice President

Date 3-29-07

INDEX

	PAGE	WORK SHEET		PAGE	WORK SHEET
Advances from associated companies -----	20	A-12	Organization and control -----	9	Gen Info
Advances for construction -----	21	A-15	Other assets -----	15	A-4
Assets -----	10	A	Other income -----	23	B
Balance sheet -----	10-11	A	Other paid in capital -----	17	A-8
Capital stock -----	17	A-6	Payables to associated companies -----	20	A-13
Contributions in aid of construction -----	22	A-17	Population served -----	31	D-4
Depreciation and amortization reserves -----	14-15	A-3	Proprietary capital -----	18	A-10
Declaration -----	32		Purchased water for resale -----	29	D-1
Deferred taxes -----	21	A-16	Retained earnings -----	18	A-9
Dividends appropriations -----	18	A-9	Safe Drinking Water Bond Act Data -----	7-8	
Employees and their compensation -----	27	C-1	Service connections -----	31	D-4
Engineering and management fees -----	28	C-3	Sources of supply and water developed --	29	D-1
Excess Capacity and Non-Tariffed Services -----	6		Status with Board of Health -----	32	D-8
Income statement -----	23	B	Stockholders -----	17	A-7
Liabilities -----	11	A	Storage facilities -----	29	D-2
Loans to officers, directors, or shareholders --	28	C-2	Taxes -----	29	B-3
Long term debt -----	19	A-11	Transmission and distribution facilities --	30	D-3
Management compensation -----	25	B-2	Unamortized debt discount and expense -	16	A-5
Meters and services -----	31	D-5	Unamortized premium on debt -----	16	A-5
Non-utility property -----	13	A-2	Utility plant -----	12	A-1
Officers -----	9	GenInfo	Water delivered to metered customers ---	31	D-7
Operating expenses -----	25	B-2	Water plant in service -----	12	A-1a
Operating revenues -----	24	B-1	Water plant held for future use -----	13	A-1b

**ANNUAL REPORT
ALCO WATER SERVICE
WELLS SCHEDULE D-1**

NUMBER	WELL	DIAMETER	DEPTH TO WATER	GPM
1	Alma Street	16"	118'	800
3	Bardin	14"	112'	NA
8	Laurel Heights	NA	NA	NA
9	E. Laurel (County)	14"	110'	2377
11	San Jerardo 2	12"	209'	100
12	San Jerardo 3	10"	209'	172
13	Wildwood 1	8"	410'	70
14	Wildwood 2	10"	410'	70
15	Pine Canyon	16"/12"	136'	153
19	Alisal High	16"	177'	2106
24	Las Casitas	16"	113'	2371
25	Santana	16"	148'	1333
26	Boronda	16"	142'	1997
29	Kilbreth	16"	182'	2876
30	Nogal Drive	16"	145'	2031

NA indicates "not operating"