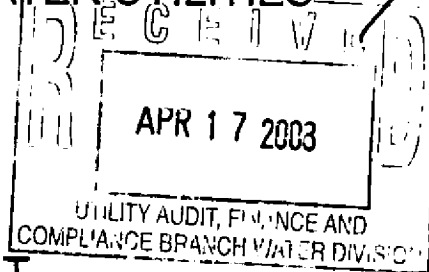


Received _____
Examined _____

CLASS B and C
WATER UTILITIES



U# _____

2007
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, 2007

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2008
(FILE TWO COPIES IF THREE RECEIVED)

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.

GENERAL INFORMATION

1 Name under which utility is doing business:

Alco Water Service

2 Official mailing address:

249 Williams Road, Salinas, CA ZIP **93905**

3 Name and title of person to whom correspondence should be addressed:

Thomas R. Adcock, Vice President Telephone: **(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) _____
 Corporation (corporate name **Alisal Water Corporation**)
 Organized under laws of (state) California

Principal Officers:

(Name)		(Title)	
Robert T. Adcock		President	
Thomas R. Adcock		Vice President	
Patricia Adcock		Secretary	
Marino Rodriguez		Chief Financial Officer	

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:

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 water system was sold on October 31, 2007. At December 31, 2007, the San Jerardo water system was still part of Alco's Salinas District and was the only water system under receivership. Alco's Salinas Division is not part of the receivership. Through 2005 the annual report of Alco was consolidated including the transaction of Normco and Moss Landing Water Systems. However since these systems have been sold to Pajaro Sunny Mesa Community Service District (PSMCS) and this entity has operated these two water systems since February 4, 2005, Alco is not filing the 2007 annual reports for Normco and Moss Landing. It has requested the receiver to direct PSMCS to file such annual reports.

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	28759	2	30053	3

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

(Prepared from Information in the 2007 Annual Report)

	1/1/2007	12/31/2007	Average
BALANCE SHEET DATA			
1 Intangible Plant	15,341	15,341	15,341
2 Land and Land Rights	455,676	471,101	463,389
3 Depreciable Plant	25,422,172	25,730,475	25,576,324
4 Gross Plant in Service	25,893,189	26,216,917	26,055,053
5 Less: Accumulated Depreciation	(7,299,234)	(7,671,373)	(7,485,304)
6 Net Water Plant in Service	18,593,955	18,545,544	18,569,750
7 Water Plant Held for Future Use			-
8 Construction Work in Progress	107,556	1,484,911	796,234
9 Materials and Supplies	10,000	10,000	10,000
10 Less: Advances for Construction	(4,596,124)	(4,374,428)	(4,485,276)
11 Less: Contribution in Aid of Construction	(4,667,588)	(4,724,592)	(4,696,090)
12 Less: Accum Deferred Income and Investment Tax Credits	(883,225)	(920,846)	(902,036)
13 Net Plant Investment	8,564,574	10,020,589	9,292,582
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	-	-	-
17 Retained Earnings	1,467,090	1,118,476	1,292,783
18 Common Stock and Equity (Lines 14 through 17)	1,500,392	1,151,778	1,326,085
19 Preferred Stock			-
20 Long-Term Debt	1,450,253	9,646,651	5,548,452
21 Notes Payable	5,561,147	4,071,904	4,816,526
22 Total Capitalization (Lines 18 through 21)	8,511,792	14,870,333	11,691,063

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	644
24	Fire Protection Revenue	<u>24,973</u>
25	Irrigation Revenue	<u>5,805,347</u>
26	Metered Water Revenue	<u>24,175</u>
27	Other Water Revenue	<u>5,855,139</u>
Total Operating Revenue		5,855,139
28	<u>Operating Expenses</u>	<u>3,825,195</u>
29	Depreciation Expense (Composite Rate 2.7287%)	<u>541,253</u>
30	Amortization and Property Losses	<u>99,586</u>
31	Property Taxes	<u>282,923</u>
32	Taxes Other Than Income Taxes	<u>4,748,957</u>
33	Total Operating Revenue Deduction Before Taxes	4,748,957
34	California Corp. Franchise Tax	<u>39,831</u>
35	Federal Corporate Income Tax	<u>139,655</u>
36	Total Operating Revenue Deduction After Taxes	4,928,443
37	Net Operating Income (Loss) - California Water Operations	926,696
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>1,513,323</u>
39	Income Available for Fixed Charges	2,440,019
40	Interest Expense	<u>975,079</u>
41	Net Income (Loss) Before Dividends	1,464,940
42	Preferred Stock Dividends	<u>-</u>
43	Net Income (Loss) Available for Common Stock	1,464,940
44	Special Charges	<u>(1,813,555)</u>
	Net Income (Loss)	(348,615)
OTHER DATA		
44	Refunds of Advances for Construction	<u>25,369</u>
45	Total Payroll Charged to Operating Expenses	<u>1,155,717</u>
46	Purchased Water	<u>-</u>
47	Power	<u>491,162</u>

<u>Active Service Connections</u>	(Exc. Fire Protect.)	89	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections*		8,981	8,690	8,836
49	Flat Rate Service Connections		1	-	-
50	Total Active Service Connections		<u>8,982</u>	<u>8,690</u>	<u>8,836</u>

*The number of connections as of January 1, 2007 includes 170 connections for the Buena Vista Water System, and zero connections at December 31, 2007, because the Buena Vista water system was sold to California Water Service Inc. on October 31, 2007. The number of connection at 12/31/07, includes Alco's Salinas Division (within the city limits) and the San Jerardo water system.

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

	Jan. 1	Dec. 31	Annual Average
Salinas - Metered Service Connections	8,745	8,624	8,685
Buena Vista - Flat Rate Service Connections	1	-	-
Buena Vista - Metered Service Connections	170	-	85
San Jerardo - Metered Service Connections	66	66	66
Total Active Service Connections	<u>8,982</u>	<u>8,690</u>	<u>8,836</u>

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 A, B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA**

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

1. Current Fiscal Agent: **N/A**

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
	3/4 inch	_____	_____
	1 inch	_____	_____
	1 1/2 inch	_____	_____
	2 inch	_____	_____
	3 inch	_____	_____
	4 inch	_____	_____
	6 inch	_____	_____
	Flat Rate	_____	_____
	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:

**CLASS A, B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (cont.)**

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					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant			N/A		
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					

SCHEDULE A
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	-	-
5	215	Retained earnings	A-9	1,118,475	1,467,090
6		Total corporate capital and retained earnings		1,151,777	1,500,392
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	9,646,651	1,450,253
		Less: Current portion of long term debt		(234,696)	(95,689)
		Net Long term debt		9,411,955	1,354,564
13	225	Advances from associated companies	A-12	-	-
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		1,116,958	682,648
16	232	Short term notes payable		4,071,904	5,561,147
		Current portion of long term debt		234,696	95,689
17	233	Customer deposits		118,482	115,314
18	235	Payables to associated companies	A-13	-	-
19	236	Accrued taxes		52,508	80,882
20	237	Accrued interest		148,587	184,290
21	241	Other current liabilities	A-14	721,978	1,055,756
22		Total current and accrued liabilities		6,465,113	7,775,726
23		DEFERRED CREDITS			
24	252	Advances for construction	A-15	4,374,428	4,596,124
25	253	Other credits		1,628,104	2,289,583
26	255	Accumulated deferred investment tax credits	A-16	63,591	67,703
27	282	Accumulated deferred income taxes - ACRS depreciation	A-16	857,255	815,522
28	283	Accumulated deferred income taxes - other	A-16		
29		Total deferred credits		6,923,378	7,768,932
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	A-17	6,771,843	6,572,859
32	272	Accumulated amortization of contributions		(2,047,251)	(1,905,271)
33		Net contributions in aid of construction		4,724,592	4,667,588
34		Total liabilities and other credits		28,676,815	23,067,202

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Pit Additions During year (c)	Pit Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service	25,893,189	1,536,871	(42,427)	(1,170,716)	26,216,917
2	103	Water plant held for future use	-				-
3	104	Water plant purchased or sold	29,000				29,000
4	105	Construction work in progress - water plant	107,556	1,377,355	xxxxxxxxxxx		1,484,911
5	114	Water plant acquisition adjustments	(30,592)		xxxxxxxxxxx		(30,592)
6		Total utility plant	25,999,153	2,914,226	(42,427)	(1,170,716)	27,700,236

* Debit or credit entries should be explained by footnotes or supplementary schedules
Other Debits or (Credits) for (\$1,170,716) represents the retirement of the Buena Vista water system sold on October 31, 2007 to California Water Service.

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

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Pit Additions 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	15,341				15,341
3	303	Land	455,676	15,425			471,101
4		Total non-depreciable plant	471,017	15,425	-	-	486,442
5		DEPRECIABLE PLANT					
6	304	Structures	846,025	59,563	(1,146)	(52,024)	852,418
7	307	Wells	980,783		(4,052)	(20,000)	956,731
8	317	Other water source plant	23,559				23,559
9	311	Pumping equipment	1,913,639	201,741		(88,934)	2,026,446
10	320	Water treatment plant	429,626	1,019		(60,947)	369,698
11	330	Reservoirs, tanks and sandpipes	455,122			(102,439)	352,683
12	331	Water mains	13,513,622	734,683		(699,943)	13,548,362
13	333	Services and meter installations	3,526,386	388,801	(2,939)	(72,129)	3,840,119
14	334	Meters	1,721,198	23,270	(34,290)	(21,050)	1,689,128
15	335	Hydrants	98,543			(53,250)	45,293
16	339	Other equipment	1,164,464	99,925			1,264,389
17	340	Office furniture and equipment	420,010	5,475			425,485
18	341	Transportation equipment	329,195	6,969			336,164
19		Total depreciable plant	25,422,172	1,521,446	(42,427)	(1,170,716)	25,730,475
20		Total water plant in service	25,893,189	1,536,871	(42,427)	(1,170,716)	26,216,917

* Debit or credit entries should be explained by footnotes or supplementary schedules
Other Debits or (Credits) for (\$1,170,716) represents the retirement of the Buena Vista water system sold on October 31, 2007 to California Water Service.

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	PG&E Deposit	80,405
3		
4		
5		
6		
7		
8		
9		
10	Total	104,747

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	7,299,233		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	541,253		
4	(b) Charged to Account No 272	185,663		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	726,916		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	(42,427)		
11	(b) Cost of removal	(1,984)		
12	(c) All other debits (Footnote 3)	(310,365)		
13	Total debits	(354,776)		
14	Balance in reserve at end of year	7,671,373		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			2.7287%
16				
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS:			
24	All Other Debits of (\$310,365) represents the retirement of accumulated depreciation of the Buena Vista Water			
25	system sold on October 31, 2007			
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION			
30	(a) Straight line	<input type="checkbox"/>	<input type="checkbox"/>	
31	(b) Liberalized	<input type="checkbox"/>	<input type="checkbox"/>	
32	(1) Sum of the years digits	<input type="checkbox"/>	<input type="checkbox"/>	
33	(2) Double declining balance	<input type="checkbox"/>	<input type="checkbox"/>	
34	(3) Other	<input type="checkbox"/>	<input type="checkbox"/>	
35	(c) Both straight line and liberalized	<input checked="" type="checkbox"/>	<input 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	290,971	28,564	(13,683)	(1,984)	303,868
2	307	Wells	313,983	32,189	(18,902)		327,270
3	317	Other water source plant	3,065	942	-		4,007
4	311	Pumping equipment	917,106	75,845	(23,640)		969,311
5	320	Water treatment plant	153,112	28,139	(26,542)		154,709
6	330	Reservoirs, tanks and sandpipes	152,769	10,075	(17,745)		145,099
7	331	Water mains	2,624,622	275,286	(159,185)		2,740,723
8	333	Services and meter installations	1,072,231	107,512	(26,593)		1,153,150
9	334	Meters	488,831	67,802	(47,724)		508,909
10	335	Hydrants	42,687	2,121	(18,778)		26,030
11	339	Other equipment	840,868	38,112			878,980
12	340	Office furniture and equipment	295,720	18,743			314,463
13	341	Transportation equipment	103,270	41,585			144,855
14		Total	7,299,233	726,915	(352,792)	(1,984)	7,671,373

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

Line No.	Item (a)	Amount (b)
1	Prepaid Expenses	95,084
2	Deposits	26,839
3	Advances to Employees	2,550
4	PSMCSD Receivable	15,898
5	Buena Vista Sale Proceeds from Receiver	300,000
6	Receivable due to fire hydrant repairs	10,000
7	Other	83,960
8		
9		
10	Total	534,331

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 unauthorized 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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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	Estate of 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	None	
3		
4	Total	-

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

Line No	Item (a)	Amount (b)
1	Balance beginning of year	1,467,090
2	CREDITS	
3	Net income	-
4	Prior period adjustments	
5	Other credits (detail)	
6	Total credits	-
7		
8	DEBITS	
9	Net losses	(348,614)
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total debits	(348,614)
15	Balance end of year	1,118,476

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	-	(Var)	4,442		3,819
2	R. T. Adcock (Advances)		(various)	Demand	210,000	101,425	12.00%	4,752		-
3	Caterpillar Financial (Capital Lease)		Oct-04	Sep-08	238,573	48,161	4.80%	3,867		3,867
4	Caterpillar Financial (Capital Lease)		Jan-05	Dec-08	29,716	8,875	6.00%	854		854
5	Enterprise (Capital Lease)		Dec-05	Aug-10	53,783	31,625	8.90%	3,306		3,306
6	4M Developoment (Capital Lease)		Nov-06	Nov-08	1,079,765	1,061,565	9.50%	108,027		108,027
7	All State (2007A Bonds)		May-07	Jun-07	8,500,000	8,395,000	7.85%	413,531		430,518
8	Sub-total					9,846,651		538,779		550,391
9	Less: Current Portion of Long Term Debt					(234,696)				
10	Total					9,411,955		538,779		550,391

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	236,350
2	Payroll & PTO Accrual	162,071
3	Customer Payments in Advance	20,264
	Receivership Fees	231,216
4	Other	72,077
5	Totals	721,978

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

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	xxxxxxxxxxxxxxxx	4,596,124
	Less: Buena Vista Advance retired due to sale of water system	xxxxxxxxxxxxxxxx	(74,250)
	Subtotal - Beginning balance less additions during year	xxxxxxxxxxxxxxxx	4,521,874
2	Additions during year	xxxxxxxxxxxxxxxx	80,948
3	Subtotal - Beginning balance plus additions during year	xxxxxxxxxxxxxxxx	4,602,822
4	Charges during year:	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
5	Refunds	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
6	Percentage of revenue basis		xxxxxxxxxxxxxxxx
7	Proportionate cost basis	25,369	xxxxxxxxxxxxxxxx
8	Present worth basis		xxxxxxxxxxxxxxxx
9	Total refunds	25,369	xxxxxxxxxxxxxxxx
10	Transfers to Acct. 271, Contributions in aid of Construction	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
11	Due to expiration of contracts	203,025	xxxxxxxxxxxxxxxx
12	Due to present worth discount		xxxxxxxxxxxxxxxx
13	Total transfers to Acct. 271	203,025	xxxxxxxxxxxxxxxx
14	Securities Exchanged for Contracts (Enter detail below)		xxxxxxxxxxxxxxxx
15	Subtotal - charges during year		203,025
	Balance end of year	xxxxxxxxxxxxxxxx	4,374,428
	Less: Current portion of advances for construction	xxxxxxxxxxxxxxxx	(146,141)
16	Balance end of year	xxxxxxxxxxxxxxxx	4,228,287

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	63,591		
2	Accumulated Deferred Income Taxes		857,255	
3				
4				
5	Totals	63,591	857,255	-

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	4,667,588	4,667,588			
2	Add: Credits to account during year					
3	Contributions received during year	263,015	263,015			
4	Other credits*	203,025	203,025			
5	Total credits	466,040	466,040			
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	185,662	185,662			
8	Nondepreciable donated property retired					
9	Other debits*	223,374	223,374			
10	Total debits	409,036	409,036			
11	Balance end of year	4,724,592	4,724,592			

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

Other Credits of \$203,025 represent unpaid advances for construction transferred to CIAC per CPUC rules.

Other Debits of \$223,374 represent retirement of CIAC and accumulated CIAC amortization of the Buena Vista water system sold to California Water Service on 10/31/07.

**SCHEDULE B
INCOME STATEMENT**

Line No.	Acct. No.	Account (a)	Schedule No. (b)	Amount (c)
1		UTILITY OPERATING INCOME		
2	400	Operating revenues	B-1	5,855,139
3		OPERATING REVENUE DEDUCTIONS		
4	401	Operating expenses	B-2	3,825,195
5	403	Depreciation expense	A-3	541,253
6	407	SDWBA loan amortization expense	pages 7 & 8	
7	408	Taxes other than income taxes	B-3	382,509
8	409	State corporate income tax expense	B-3	39,831
9	410	Federal corporate income tax expense	B-3	139,655
10		Total operating revenue deductions		4,928,443
11		Total utility operating income		926,696
12		OTHER INCOME AND DEDUCTIONS		
13	421	Non-utility income	B-5	1,540,615
14	426	Miscellaneous non-utility expense	B-5	(27,291)
15	427	Interest expense	B-6	(975,079)
16		Total other income and deductions		538,245
17		Net income		1,464,941
18		Special Charges		(1,813,555)
		Net Income (loss)		(348,614)

Note: Special charges represent the loss of Alco's net receivable due from its affiliated companies Normco and Moss Landing, which were sold at December 31, 2007.

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	644	1,062	(418)
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	644	1,062	(418)
9	462	Fire protection revenue			
10		462.1 Public fire protection			-
11		462.2 Private fire protection	24,973	19,517	5,456
12		Sub-total	24,973	19,517	5,456
13	465	Irrigation revenue	339,686	279,659	60,027
14	470	Metered water revenue			
15		470.1 Single-family residential	4,038,752	3,701,825	336,927
16		470.2 Commercial and multi-residential	1,279,650	1,141,277	138,373
17		470.3 Large water users			-
18		470.5 Safe Drinking Water Bond Surcharge			-
19		470.9 Other metered revenue (Ind/School)	186,866	175,776	11,090
20		Sub-total	5,505,268	5,018,878	486,390
	471	Water Revenue Accrual*	(39,607)	-	(39,607)
21		Total water service revenues	5,830,964	5,319,116	511,848
22	480	Other water revenue	24,175	21,135	3,040
23		Total operating revenues	5,855,139	5,340,251	514,888

* Account 471000 Water Revenue Accrual was used to record the December 2007 revenue billed in January 2008 and December 2006 revenue billed in 2007.

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceeding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		PLANT OPERATION AND MAINTENANCE EXPENSES			
2					
3	610	Purchased water	-	-	-
4	615	Power	491,162	477,726	13,436
5	616	Other volume related expenses	7,141	6,395	746
6		Total volume related expenses	498,303	484,121	14,182
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor	574,826	605,233	(30,407)
9	640	Materials	95,328	86,387	8,941
10	650	Contract work	112,486	122,655	(10,169)
11	660	Transportation expenses	355,332	365,766	(10,434)
12	664	Other plant maintenance expenses	88,822	60,209	28,613
13		Total non-volume related expenses	1,226,794	1,240,250	(13,456)
14		Total plant operation and maintenance exp.	1,725,097	1,724,371	726
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	426,143	408,527	17,616
17	671	Management salaries	154,749	151,865	2,884
18	674	Employee pensions and benefits	550,684	483,335	67,349
19	676	Uncollectible accounts expense	-	19,539	(19,539)
20	678	Office services and rentals	95,709	73,994	21,715
21	681	Office supplies and expenses	138,705	112,003	26,702
22	682	Professional services	377,944	372,322	5,622
23	684	Insurance	237,292	214,495	22,797
24	688	Regulatory commission expense	11,076	10,554	522
25	689	General expenses	107,796	87,950	19,846
26		Total administrative and general expenses	2,100,098	1,934,584	165,514
27	800	Expenses capitalized	-	-	-
28		Net administrative and general expense	2,100,098	1,934,584	165,514
29		Total operating expenses	3,825,195	3,658,955	166,240

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	99,586	99,586	-
2	State corporate franchise tax	39,831	39,831	-
3	State unemployment insurance tax	5,579	5,579	-
4	Other state and local taxes	195,440	195,440	-
5	Federal unemployment insurance tax	899	899	-
6	Federal insurance contributions act	81,006	81,006	-
7	Other federal taxes	-	-	-
8	Federal income taxes	139,855	139,655	-
9				
10				
11	Totals	561,996	561,996	-

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.
- 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	(348,614)
2	Plus:	
3	Income Taxes - PUC Basis	179,486
4	Book Depreciation	541,253
5	Taxable CIAC (Plus Gross-up)	100,944
6	Non-deductible expenses	32,269
7	Non-deductible charges	1,813,555
8		
9	Subtotal	2,318,893
10		
11	Minus:	
12	Tax Depreciation (Approx.)	690,182
13	Non-deductible income - Deferred tax asset	449,069
14	Non-deductible income - Deferred unpaid income taxes	770,934
15	Non-deductible income - Deferred revenue	16,979
16	Taxable refund of advances for construction	18,719
17		
18	Estimated Taxable Income	373,010
19		

Note: The 2007 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 schedule B-4 are estimated. The special charge of \$1,813,555 are reported a a non-taxable deduction on schedule B-4 because it will be eliminated upon consolidation of the financial statements of Normco and Moss Landing.

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	Interest and Dividend Income	129,256	
2	Reimbursed Expense	27,622	
3	Other Income & Expenses - Prior Years	146,754	
4	Other Income - Deferred Taxes Buena Vista	77,845	
5	Other Income - Deferred Tax Asset	449,069	
6	Other Income - Unpaid Corporate Income Taxes - Book Basis	693,089	
7	Misc Revenue	16,979	
8	Miscellaneous Non-Utility Expense		27,291
9	Total	1,540,614	27,291

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Short Term Debt Interest	435,801
2	Long Term Debt Interest	538,779
3	Customer Deposit Interest	499
4		
5		
6		
7		
8		
9		
10	Total	975,079

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	22	574,826	323,469	898,295
2	670	Office salaries	11	426,143	-	426,143
3	671	Management salaries	2	154,749	13,211	167,960
4						
5						
6		Total	35	1,155,718	336,680	1,492,398

**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		N/A						
3								
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	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 \$	145,591
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		

* 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.

Note: The Receivership per court order dated April 9, 2002 is applicable to Alco's smaller water systems and not to Alco's Salinas Division. All of the other small water systems except the San Jerardo water system have been sold as of December 31, 2007

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		N/A						
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		N/A						
14								
15								
Purchased Water for Resale								
16	Purchased from							
17	Annual Quantities purchased					(Unit chosen) 1		
18	N/A							
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		N/A						
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		N/A						
8	Lined 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		37,134	75,994	450	55,074	29,605
19	Welded steel									
20	Wood									
21	Other (specify) Plastic			322		-	7,283		76,511	49,548
22	Totals	-	-	1,397	-	37,134	83,277	450	131,585	79,153

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							217,875
31	Welded steel									-
32	Wood									-
33	Other (specify) Plastic	5,672	74,363		15,115	14,330		2,203	6,000	251,347
34	Totals	8,212	90,366	-	15,115	14,330	-	2,203	6,000	469,222

**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	8,204	7,913	
Commercial and Multi-residential	627	632		
Large water users				
Public authorities				
Irrigation	93	94		
Other (specify) - Fire Protection			49	51
Industrial/ School	55	51		
Subtotal	8,979	8,690	49	51
Private fire connections			40	46
Public fire hydrants				
Total	8,979	8,690	89	97

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

Size	Meters	Services
5/8 x 3/4 - in	3,094	xxxxxxxxxx
3/4 - in	1,202	4,066
1 - in	3,055	3,198
1 1/2 - in	1,542	1,539
2 - in	165	181
3 - in	35	35
4 - in	14	92
6 - in	6	19
Other	2	6
Total	9,115	9,136

**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	8,849
2. More than 10, but less than 15 years	236
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	82,768	86,164	84,729	104,516	122,904	141,863	146,217	769,161
Commercial and Multi-residential	33,746	37,120	35,870	37,767	44,203	46,731	52,223	287,660
Large water users								-
Public authorities								-
Irrigation	2,170	2,026	2,311	5,152	7,891	13,752	15,545	48,847
Other (School/Industrial)	2,793	2,686	2,508	3,028	4,614	7,912	6,905	30,446
Total	121,477	127,996	125,418	150,463	179,612	210,258	220,890	1,136,114
Classification of Service	During Current Year						Subtotal	Total Prior Year
	August	September	October	November	December	Subtotal		
Single-family residential	152,605	143,785	116,402	107,520	95,342	615,654	1,384,815	1,355,504
Commercial and Multi-residential	51,135	51,404	45,351	46,302	42,459	236,651	524,311	515,654
Large water users						-	-	-
Public authorities						-	-	-
Irrigation	21,842	18,690	13,105	6,453	6,401	66,491	115,338	98,841
Other (School/Industrial)	6,605	7,398	5,720	4,030	2,926	26,679	57,125	61,885
Total	232,187	221,277	180,578	164,305	147,128	945,475	2,081,589	2,031,884

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 _____ 27,808

The 2007 consumption for Alco's Salinas District which includes the Salinas, Buena Vista and San Jerardo Water Systems. The Buena Vista Water System was sold on October 31, 2007 to California Water Service, therefore no consumptions for that system are recorded in November or December. Below is the breakdown of 2007 total consumptions for each water system.

Salinas	2,005,578
Buena Vista (10 mos)	62,672
San Jerardo	13,339
Total	2,081,589

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:

N/A

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

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

A. Commerical

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

B. Residential

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

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:

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SCHEDULE D-1
Sources of Supply and Water Developed

WELLS				Depth to Water	Pumping Capacity (GPM)	Annual Quantities Pumped (AF)	Remarks
At Plant (Name or Number)	Location	Number	Dimension				
Alma Well	Alma Street, Salinas		16"/12"	116'	800	128.397	Lined
Bardin Well	Bardin Road, Salinas		16"	NA	NA	-	Drilled In 2007
Laurel Heights Well	St. Regis Way, Salinas		NA	NA	NA	-	
County Well	E. Laurel Drive, Salinas		14"	154'	2377	1,736.603	
San Jerardo 2	Old Stage Road, Salinas		12"	NA	NA	-	Out of Service
San Jerardo 3	Old Stage Road, Salinas		10"	209'	172	3.027	
Wildwood 1	River Road, Salinas		8"	410'	70	-	Sold 10/31/07
Wildwood 2	River Road, Salinas		10"	410'	70	-	Sold 10/31/07
Pine Canyon	River Road, Salinas		16"/12"	136'	153	147.445	Sold 10/31/07
Alisal High	Burke Street, Salinas		16"	189'	2106	902.316	
Las Casitas	Las Casitas Drive, Salinas		16"	113'	2371	19.211	Stand by Source
Santana	Garner Ave, Salinas		16"	148'	1333	284.795	
Boronda	Boronda Road, Salinas		16"	126'	1997	14.034	Stand by Source
Kilbreth	Kilbreth Avenue, Salinas		16"	234'	2876	1,684.125	
Nogal Drive	Nogal Drive, Salinas		16"	145'	2031	10.140	Stand by Source

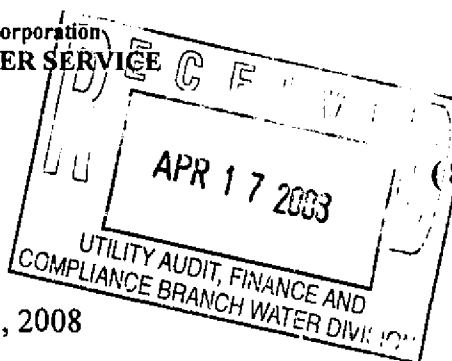
Note: All water provided by stand by sources was for flushing and testing purposes. No water from these stand by sources was put into the drinking water system.

ALISAL WATER CORPORATION

A California Corporation
dba ALCO WATER SERVICE

249 Williams Road
Salinas, CA 93905
(831) 424 - 0611 Fax

Robert T. Adcock
President
(831) 424 - 0441 Phone



March 31, 2008

Kayode Kajopaiye, Chief
Finance, Auditing and Compliance Branch
Water Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: 2007 Annual Reports of Alco Water Service and California Utilities Service

Dear Mr. Kajopaiye,

Enclosed please find the 2007 annual reports of Alco Water Service and California Utilities Service. The annual report of Alco Water Service includes only the financial information of Alco Water Service, Salinas District. In previous years, Alco's annual report included the financial information of the Salinas, Normco and Moss Landing Districts.

It is our understanding that the financial information for Normco and Moss Landing Districts are being filed in a separate report by John Richardson, the receiver for those systems, or Pajaro/Sunny Mesa Community Services District (PSMCS), the entity that acquired those systems. PSMCS has operated and managed the Normco and Moss Landing water systems since February 4, 2005.

It is also our understanding that Mr. Richardson is also filing the 2007 annual report for Toro Water Service.

If you have any questions, please contact Marino Rodriguez at (831) 424-0441.

Sincerely,

AMS for Thomas R. Adcock
Thomas R. Adcock
Vice President

enclosures