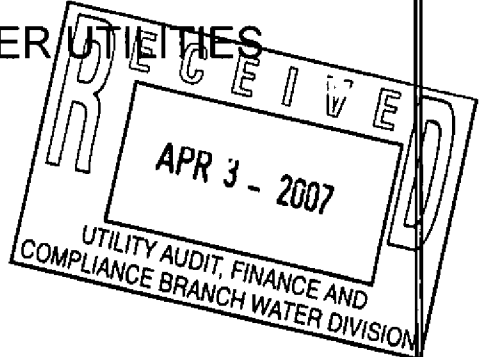


34

Received _____

Examined _____

CLASS D
WATER UTILITIES



U# _____

2006
ANNUAL REPORT
OF

Arroyo Center Water Company, Inc.

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

47475 Arroyo Seco Road

Greenfield, CA 93927

(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)

U

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Arroyo Center Water Company, Inc.

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

47475 Arroyo Seco Road, Greenfield, CA 93927

(Official mailing address)

Arroyo Seco Resort, Monterey County

(Service area-town and county)

Telephone Number: (831) 674-3167 Fax Number: (831) 674-3304 Email Address: N/A

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

- 1 If a corporation show:
 - (A) Date of organization June 9, 1961 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers: **See Attached**

- 2 If unincorporated provide the name and address of the owner(s) or the partners: **N/A**

- 3 Name, title, and telephone number of:
 - (A) One person listed above to receive correspondence: **Colette Titgen (831) 674-0416**
 - (B) Person responsible for operations and services: **Jeff Jenkinson (831) 674-1517**

- 4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) **Yes**
 If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged? **See Below**

- 5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent: **None**

PUBLIC HEALTH STATUS

- 6 Has state or local health department inspection been made during the year?
- 7 Are routine laboratory tests of water being made?
- 8 Has state health department water supply permit been obtained? (Indicate date)
- 9 If no permit has been obtained, state whether application has been made and when.
- 10 Show expiration date if state permit is temporary.

Yes	No	Latest Date
X		Nov-06
X		Mar-07
X		Jun-06
N/A		
X		Jun-07

- 11 List Name, Grade, and License Number of all Licensed Operators:
Robert Vanegas, Grade 1, License # 19085

Answer to Question 4.

\$1,750 was paid to Operators on Duty to perform the duties of a licensed operator.
 Amount charged to account # 664 - Other Plant Maintenance

Arroyo Center Water Company, Inc.Class D - Water Utility

Supplemental Information

LINE 1B - Names, titles and addresses of principal officers:

Name: Colette Titgen
Title: President
Address: 47530 Arroyo Seco Road
Greenfield, CA 93927

Name: Kathy Radley
Title: Treasurer
Address: 1180 Theresa Street
Seaside, CA 93955

Name: Bob Land
Title: Vice -President
Address: 723 Montecito Way
Salinas, CA 93901

Name: Brooke Atherton
Title: Secretary
Address: 7448 Skyway
Paradise, CA 95969

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 flags required in D 00-07-018, D 03-04-028, and D 04-12-023, provide the following information for each individual non-tariffed good and service provided in 200 .

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 COMPLETE 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:

Not Applicable

Name: _____

Address: _____

Phone Number: _____

Date Hired: _____

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

\$ _____

3. 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	_____

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

4. Plant amounts which were funded using SDWBA funds should also be included in Schedule A, Account No. 101--Water Plant in Service

Not Applicable

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits* or (Credits) (e)	Balance End of Year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					

Arroyo Center Water
Year 2006

REVISOR
11/21/07

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2006)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	23,684	201	Common Stock (Corporations only)	10,000
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	111,046
4	105	Water plant construction work in progress	155,861	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	23,384	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	71,474
7	124	Other investments		252	Advances for construction	
8	131	Cash	30,193	253	Other deferred credits	
9	141	Accounts receivable - customers	6,168	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	192,520		Total Equity and Liabilities	192,520

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land	300				300
18	304	Structures					
19	307	Wells	9,822				9,822
20	317	Other water source plant	12,841				12,841
21	311	Pumping equipment					
22	320	Water treatment plant	127,354	28,507			155,861
23	330	Reservoirs tanks and sandpipes					
24	331	Water mains					
25	333	Services and meter installations					
26	334	Meters	721				721
27	335	Hydrants					
28	339	Other equipment					
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	151,038	28,507			179,545

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 108 Water Plant	Account 108.1 SDWBA Loans	
32	Balance in reserves at beginning of year	23,384		A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year			N/A
34	(a) Charged to Account No. 272			
35	(b) Charged to Account No. 403			
36	(c) Charged to Account No. 407			B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$
37	(d) Salvage recovered			
38	(e) All other credits			
39	Total credits	0		-0-
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			C. State method used to compute tax depreciation N/A
43	(c) All other debits			
44	Total debits	0		
45	Balance in reserve at end of year	23,384		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2006)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	23,684	201	Common Stock (Corporations only)	10,000
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	115,276
4	105	Water plant construction work in progress	155,861	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	23,384	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	71,474
7	124	Other investments		252	Advances for construction	
8	131	Cash	30,193	253	Other deferred credits	
9	141	Accounts receivable - customers	10,396	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	196,750		Total Equity and Liabilities	196,750

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land	300				300
18	304	Structures					
19	307	Wells	9,822				9,822
20	317	Other water source plant	12,841				12,841
21	311	Pumping equipment					
22	320	Water treatment plant	127,354	28,507			155,861
23	330	Reservoirs tanks and sandpipes					
24	331	Water mains					
25	333	Services and meter installations					
26	334	Meters	721				721
27	335	Hydrants					
28	339	Other equipment					
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	151,038	28,507			179,545

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
32	Balance in reserves at beginning of year	23,384		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 272			N/A
35	(b) Charged to Account No. 403			
36	(c) Charged to Account No. 407			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits	0		covered by this report \$ -0-
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation N/A
44	Total debits	0		
45	Balance in reserve at end of year	23,384		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2006)

Line

1	Common - (Shares	\$	par)			List persons owning more than 5% of outstanding stock
2	Preferred - (Shares	\$	par)			and number of shares owned by each:
3	Dividends - Common	Rate - \$				100% of Stock owned by Arroyo Seco Resort, Inc.
4	- Preferred	Rate - \$				

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5								
6								
7								
8	Totals				None			

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	44435
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	
14	480 Other water revenue	41430
15	Total Operating Revenue	85865
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Purchased power	1596
20	618 Other volume related expenses	
21	630 Employee labor	14600
22	640 Materials	
23	650 Contract work	
24	660 Transportation expenses	
25	664 Other plant maintenance expense	3350
26	670 Office salaries	
27	671 Management salaries	840
28	674 Employee pensions and benefits	975
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	8885
31	681 Office supplies and expense	1025
32	682 Professional services	3030
33	684 Insurance	637
34	688 Regulatory commission expense	2241
35	689 General expenses	430
36	Total Operating Expenses	37609
37	403 Depreciation expense	
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	2181
40	409 State income tax expense	
41	410 Federal income tax expense	2907
42	Total Operating Revenue Deductions	42697
43	Utility Operating Income	43168
44	421 Non-utility income	15
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	43183

SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS

Location	No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped
Arroyo Seco River Bed	1	8	29	30	
Arroyo Seco River Bed	2	8	29	20	

OTHER

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

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS
(If figures are available) (specify unit)

Classification of service	Max mo. Mo. of	Min. Mo. Mo. Of	Total for year
Residential & business			
Industrial/Commercial			
Fire Protection			
Irrigation			
Other (specify)			
Total			Not Available

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Number at End of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor	1	14,600		14,600
49	670	Office salaries				
50	671	Management salaries	1	840		840
51		Total	2	15,440		15,440

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	127354
Additions during year	28507
Subtotal - Beginning balance plus additions during year	155861
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	155861

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

Size	Meters	Services
5/8 x 3/4-in	None	
3/4-in		
1-in		
-in		
-in		
Total		

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year		
1	Used, before repair...	None
2	Used, after repair	
3	Fast, requiring refund ..	
Numbers of meters in service requiring test per General Order No. 103		

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		62	62					62
Industrial/Commercial								
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify)								
Total		62	62					62

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

SCHEDULE N - STORAGE FACILITIES

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	No.	Combined capacity in gallons	Description	2" and under				Other sizes (specify)	Totals
				2 1/4 to 3 1/4	4"				
Concrete	1	19200	Cast Iron						
Earth			Welded steel						
Wood			Standard screw	5000				5000	
Steel			Cement-asbestos						
Other			Plastic						
			Other (specify)						
Total	1	19200	Total					5000	

DECLARATION

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

I, the undersigned (officer, partner or owner) of Arroyo Center Water Company, Inc., under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, documents, 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 calendar year

January 1, 2006 through December 31, 2006 .

Signed
President
Title
March 29, 2007
Date

Colette Tilden
29 Mar 07