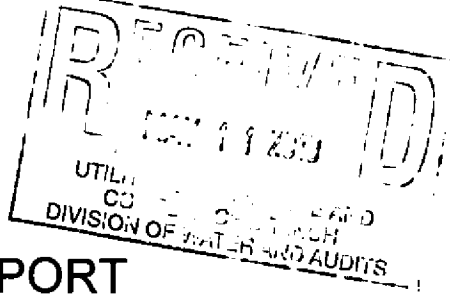


J/Sx

Received _____
Examined _____

**CLASS D
WATER UTILITIES**



U# _____

**2009
ANNUAL REPORT
OF**

Canada Woods Water Company

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

P.O. Box 221850, Carmel, CA 93922

(OFFICIAL MAILING ADDRESS) ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2009**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2010

PEASLEY, ALDINGER & O'BYMACHOW
AN ACCOUNTANCY CORPORATION

MATT A. PEASLEY, CPA
CHRISTIAN L. ALDINGER, CPA

2120 MAIN STREET, SUITE 265
HUNTINGTON BEACH, CALIFORNIA 92648

(714) 536-4418
FAX (714) 536-2039

ACCOUNTANT'S COMPILATION REPORT

May 5, 2010

Canada Woods Water Company
7145 Carmel Valley Road
Carmel, CA 93923

We have compiled the balance sheet of Canada Woods Water Company, LLC (Water system) as of December 31, 2009, and the related income statement for the year ended December 31, 2009, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information included on page 7 (Schedules B & C), page 8 (Schedules D & E), page 9 (Schedule I), page 10 (Schedule J), page 4 of Excess Capacity, page 11 for Facility Fee Data, and pages 5 and 6 of Safe Drinking Water Bond Act/State Revolving Fund Data.

Our compilation was limited to presenting, in the form prescribed by the Public Utilities Commission of the State of California, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Public Utilities Commission of the State of California, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

The supplementary information contained on page 3 (General Information) and page 9 (Schedules G & H) and page 10 (Schedules K, L, M, N & O) of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

PEASLEY, ALDINGER & O'BYMACHOW
AN ACCOUNTANCY CORPORATION



Matt A. Peasley
Certified Public Accountant

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INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2010**, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS
ATTN: KAYODE KAJOPAIYE
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298
kok@cpuc.ca.gov**

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath on Page12, must be signed by an authorized officer, partner, or owner.
4. The report must be prepared in ink, typed or computer generated.
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 flow to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2009, through December 31, 2009. Fiscal year reports will not be accepted.

CLASS D WATER UTILITIES
(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Canada Woods Water Company, LLC

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

P.O. Box 221850, Carmel, California 93922

(Official mailing address)

Carmel, Monterey County

(Service area-town and county)

Telephone Number: (831) 656-9266 **Fax Number:** (831)656-9480 **Email Address:** N/A

GENERAL INFORMATION

RETURN ORIGINAL TO COMMISSION NO PHOTOCOPIES

- 1 If a corporation show: **N/A**
 (A) Date of organization _____ incorporated in the State of _____
 (B) Names, titles and addresses of principal officers
- 2 If unincorporated give the name and address of owner(s) or the partners: **(Organized as a Delaware limited liability company)**
 Partners (LLC Members)
Canada Woods, LLC, Member
c/o Howard M. Bernstein and/or Roy D. Kaufman, Managers, Kaufman, Bernstein, Oberman et al. 2049 Century Park East, Suite 2500
Los Angeles, CA 90067-3127
- 3 Name and telephone number of:
 (A) One person listed above to receive correspondence: **Aian Williams, Manager (831) 625-1066**
c/o Canada Woods Water Company 7145 Carmel Valley Road, Carmel, CA 93923
 (B) Person responsible for operations and services: **Brian Garneau (831)656-9266**
Carmel Lahaina Utility Services
- 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?
Operation of water system: Carmel Lahaina Utility Services, Inc. \$1,123 a/c 105, \$10,391 a/c 618, \$235,431 a/c 630, \$2,296 a/c 640, \$106,209 a/c 670, \$31,752 a/c 671, \$334 a/c 682, \$330 a/c 689.
Management of water system: Carmel Development Co., Inc. \$99,960 a/c 671
- 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:
 (i) **Canada Woods, LLC, a Delaware limited liability company;**
 (ii) **Clinton Eastwood, Trustee of the 1988 Clinton Eastwood Trust (1997 Restatement) U/D/T dated 05/23/97;**
 (iii) **Margaret Eastwood, Trustee of the Margaret Eastwood Trust U/D/T dated 08/21/90;**

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	07/07
X		Monthly
	X	CDPH working on
X		Application made May 2006
		n/a

- 11 List Name, Grade, and License Number of all Licensed Operators:
Peter Garneau T2 #04713, D2 #14367, Miles Farmer T2 #30745, D2 #37268, Greg Garneau T2 #18384, D2 #15047
Brian Garneau T1 #26285, D1 #31809, Eric Furtado T2 #28388, D2 #32133

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 company's 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 goods and services provided in calendar year 2009:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row No.	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue Derived From Non-Tariffed Goods/ Services (by account)	Revenue Account Number	Total Expenses Incurred to Provide Non-Tariffed Goods/ Services (by Account)	Expense Account Number	Advice Letter and/or Resolution Number Approving Non-Tariffed Goods/ Services	Total Income Tax Liability Incurred Because of Non-Tariffed Goods/ Services (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-Tariffed Goods/ Services (by Account)	Regulated Asset Account Number
	NA										

**FOR ALL WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA**

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

1. Current Fiscal Agent: N/A

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

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

\$ _____		Monthly Surcharge Per Customer
	Meter Size	No. of Metered Customers
	3/4 inch	_____
	1 inch	_____
	1 1/2 inch	_____
	2 inch	_____
	3 inch	_____
	4 inch	_____
	6 inch	_____
	# of flat rate customers	_____
	Total	_____

3. Summary of the bank account activities showing:

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

5. Plant amounts included in Schedule A, Account No. 101--Water Plant in Service which were funded using SDWBA or SRF funds: **N/A**

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

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2009)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	6,457,527	201	Common Stock (Corporations only)	
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	
4	105	Water plant construction work in progress	434,745	218	Proprietary capital	1,000,731
5	108	Accumulated depreciation of water plant	(885,523)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	198,036
7	124	Other investments		252	Advances for construction	
8	131	Cash	30,040	253	Other deferred credits	350,437
9	141	Accounts receivable - customers	72,470	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	721		depreciation	
12	174	Other current assets	6,608	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	238,085	271	Contributions in aid of construction	5,598,245
14				272	Accumulated amortization of contributions	(792,776)
15		Total Assets	6,354,673		Total Equity and Liabilities	6,354,673

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	-	-	-	-	-
18	304	Structures	118,000	-	-	-	118,000
19	307	Wells	181,203	-	-	-	181,203
20	317	Other water source plant	-	-	-	-	-
21	311	Pumping equipment	558,702	13,730	-	-	572,432
22	320	Water treatment plant	545,772	824	380	-	546,216
23	330	Reservoirs tanks and sandpipes (1)	879,656	-	-	-	879,656
24	331	Water mains (1)	3,813,963	1,471	-	-	3,815,434
25	333	Services and meter installations	86,950	-	-	-	86,950
26	334	Meters	59,643	-	-	-	59,643
27	335	Hydrants	167,725	-	-	-	167,725
28	339	Other equipment	20,595	-	-	-	20,595
29	340	Office furniture and equipment	9,673	-	-	-	9,673
30	341	Transportation equipment	-	-	-	-	-
31		Total water plant in service	6,441,882	16,025	380	-	6,457,527

* 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	724,343		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	30,455		Composite 2.50%
35	(b) Charged to Account No. 272	131,105		
36	(c) Charged to clearing accounts			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits	-		your federal income tax return for the year
39	Total credits	161,560		covered by this report \$ n/a
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired	380		
42	(b) Cost of removal	-		C. State method used to compute tax
43	(c) All other debits			depreciation. n/a
44	Total debits	380		
45	Balance in reserve at end of year	885,523		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

See Accompanying Accountant's Compilation Report

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2009)

Line	1	Common - (Shares	, \$	par)	N/A	List persons owning more than 5% of outstanding stock and number of shares owned by each:
	2	Preferred - (Shares	, \$	par)	N/A	
	3	Dividends - Common	Rate - \$		N/A	
	4	- Preferred	Rate - \$		N/A	

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	N/A							
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	
11	462 Fire protection revenue	
12	465 Irrigation revenue	151,380
13	470 Metered water revenue	374,772
14	480 Other water revenue	1,793
15	Total Operating Revenue	527,945
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	-
19	615 Power	183,707
20	618 Other volume related expenses	532,431
21	630 Employee labor	245,310
22	640 Materials	42,728
23	650 Contract work	48,524
24	660 Transportation expenses	
25	664 Other plant maintenance expense	7,423
26	670 Office salaries	106,209
27	671 Management salaries	131,712
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	2,030
31	681 Office supplies and expense	10,855
32	682 Professional services	225,796
33	684 Insurance	33,291
34	688 Regulatory commission expense	-
35	689 General expenses	18,165
36	Total Operating Expenses	1,588,181
37	403 Depreciation expense	30,455
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	5,402
40	409 State corporate income tax expense	5,800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	1,629,838
43	Utility Operating Income	(1,101,893)
44	421 Non-utility income	-
45	426 Miscellaneous non-utility expense	-
46	427 Interest expense	30
47	Net Income	(1,101,923)

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 (gals)
Via Malpaso	HW2	10	567	300	19,289,798
River Well	RW1	8	66	100	10,572,157
River Well	RW2	8	65	100	5,638,125

OTHER

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

**SCHEDULE H
WATER DELIVERED TO METERED CUSTOMERS**

(If figures are available) (specify unit) gallons

Classification of service	Max. mo. Mo. Of Aug	Min. mo. Mo. Of Jan	Total for year
Residential & business			
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Number at end of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor				
49	670	Office salaries				
50	671	Management salaries				
51		Total				

N/A - Employee labor expense is for contract workers of Carmel Lahaina Utility Services and Carmel Development Company.

Canada Woods Water Company has no direct employees

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	
Additions during year	N/A
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	

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

Size	Meters	Services
5/8 x 3/4-in	1	1
3/4-in	3	3
1-in	73	73
1.5-in	29	29
2-in	22	22
3-in		
4-in	3	3
Total	131	131

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year		
1	Used, before repair...	n/a
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
Residential	108		108				108	0
			0				0	0
Industrial			0				0	0
Other (specify) Commercial	19		19				19	0
Irrigation & Construction *	4		4				4	0
Subtotal	131		131				131	0
Fire protection (Hydrants)		67	67				0	67
Total	131	67	198				131	67

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

* Temp services with meters

SCHEDULE N - STORAGE FACILITIES

Description	No.	Combined capacity in gallons
Concrete	1	79,000
Earth		
Wood		
Steel	19	1,074,000
Other		
Total	20	1,153,000

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	2" and under	2 1/4 to 3 1/4	4"	6"	8"	12"	Totals
	Other sizes (specify)						
Cast Iron (ductile)				5648			5648
Welded steel							0
Standard screw							0
Cement-asbestos							0
Plastic		3166	305	27410	54310	12230	97421
Other (specify)							0
							0
Total	0	3166	305	33058	54310	12230	103069

FACILITY FEES DATA

Please provide the following information relating to Facility Fees collected for the calendar year 2009, pursuant to Resolution No. W-4110.

NA

1. Trust Account Information:

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

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

A. Commercial

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

B. Residential

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

3. Summary of the bank account activities showing:

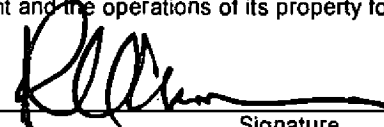
	AMOUNT
Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

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


DECLARATION

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

I, the undersigned (authorized officer, partner or owner) of Canada Woods Water Company, LLC (Name of utility), 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 period of January 1, 2009 through December 31, 2009.



Signature



Title

3-10-2010

Date