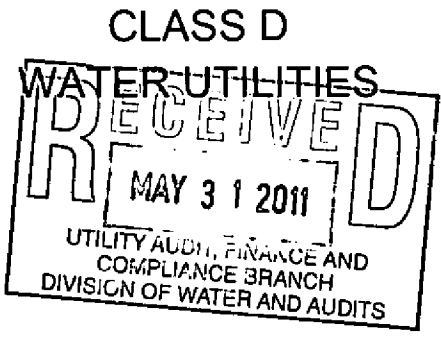


Received _____
Examined _____

U# \_\_\_\_\_



2010  
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, 2010

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2011

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 20, 2011

Canada Woods Water Company  
P.O. Box 221850  
Carmel, CA 93922

We have compiled the balance sheet of Canada Woods Water Company, LLC (Water systems) as of December 31, 2010, and the related income statement for the year ended December 31, 2010, included in the accompanying prescribed form. 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 Excess Capacity, page 11 for Facility Fee Data, and pages 5 and 6 of Safe Drinking Water Bond Act/State Revolving Fund Data. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with the form prescribed by the Public Utilities Commission of the State of California.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Public Utilities Commission of the State of California and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

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 accounting principles generally accepted in the United States of America.

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.

We are not independent with respect to Canada Woods Water Company, LLC.

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, 2011**, 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](mailto: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, 2010, through December 31, 2010. 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, 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: **Alan Williams, Manager CWWC (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, Inc.**
- 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. \$233 a/c 105, \$23,057 a/c 618, \$222,413 a/c 630, \$1,312 a/c 640, \$7,938 a/c 650, \$107,718 a/c 670, \$21,168 a/c 671, \$297 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:

**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 2010:

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:

\$ \_\_\_\_\_

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		
# of flat rate customers		
Total		

3. Summary of the bank account activities showing:

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

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

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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, 2010)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	6,835,226	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	1,064,936
5	108	Accumulated depreciation of water plant	(1,053,621)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	138,798
7	124	Other investments		252	Advances for construction	
8	131	Cash	198,254	253	Other deferred credits	350,385
9	141	Accounts receivable - customers	62,885	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	21,600	271	Contributions in aid of construction	5,880,885
14				272	Accumulated amortization of contributions	(928,586)
15		<b>Total Assets</b>	<b>6,506,418</b>		<b>Total Equity and Liabilities</b>	<b>6,506,418</b>

**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	-	-	-	-	-
18	304	Structures	118,000	-	-	-	118,000
19	307	Wells	181,203	376,853	-	-	558,056
20	317	Other water source plant	-	-	-	-	-
21	311	Pumping equipment	572,432	846	-	-	573,278
22	320	Water treatment plant	546,216	-	-	-	546,216
23	330	Reservoirs tanks and sandpipes (1)	879,656	-	-	-	879,656
24	331	Water mains (1)	3,815,434	-	-	-	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		<b>Total water plant in service</b>	<b>6,457,527</b>	<b>377,699</b>	<b>-</b>	<b>-</b>	<b>6,835,226</b>

\* 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	885,523		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	32,287		Composite 2.53%
35	(b) Charged to Account No. 272	135,811		
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	168,098		covered by this report \$ n/a
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	-		
45	Balance in reserve at end of year	1,053,621		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2010)**

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	124,034
13	470 Metered water revenue	343,342
14	480 Other water revenue	2,239
15	Total Operating Revenue	469,615
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	-
19	615 Power	134,076
20	618 Other volume related expenses	531,417
21	630 Employee labor	222,413
22	640 Materials	37,078
23	650 Contract work	26,422
24	660 Transportation expenses	
25	664 Other plant maintenance expense	6,017
26	670 Office salaries	107,718
27	671 Management salaries	121,128
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	1,905
31	681 Office supplies and expense	13,128
32	682 Professional services	233,295
33	684 Insurance	33,925
34	688 Regulatory commission expense	-
35	689 General expenses	22,574
36	Total Operating Expenses	1,491,096
37	403 Depreciation expense	32,287
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	269
40	409 State corporate income tax expense	1,050
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	1,524,702
43	Utility Operating Income	(1,055,087)
44	421 Non-utility income	-
45	426 Miscellaneous non-utility expense	-
46	427 Interest expense	-
47	Net Income	(1,055,087)

**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	15,271,916
River Well	RW1	8	66	100	5,810,015
River Well	RW2	8	65	100	2,391,805
High Well 11	HW11	10	81	215	13,916,914

**OTHER**

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted  (Unit)
	Priority right		Diversions		
	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.	Min. mo.	Total for year
	Mo. Of Aug	Mo. Of Jan	
Residential & business	2,844,947	1,891,296	31,686,158
Industrial			
Public authorities			
Irrigation			
Other (specify)			
<b>Total</b>	<b>2,844,947</b>	<b>1,891,296</b>	<b>31,686,158</b>

**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	<b>N/A - Employee labor expense is for contract workers of Carmel Lahaina Utility Services</b>			
50	671	Management salaries	<b>and Carmel Development Company.</b>			
51		Total	<b>Canada Woods Water Company has no direct employees</b>			

**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	77	77
1.5-in	32	32
2-in	21	21
3-in		
4-in	3	3
<b>Total</b>	<b>137</b>	<b>137</b>

**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	114		114				114	0
			0				0	0
Industrial			0				0	0
Other (specify) Commercial	19		19				19	0
Irrigation & Construction *	4		4				4	0
Subtotal	137		137				137	0
Fire protection (Hydrants)		69	69				0	69
<b>Total</b>	<b>137</b>	<b>69</b>	<b>206</b>				<b>137</b>	<b>69</b>

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		
<b>Total</b>	<b>20</b>	<b>1,153,000</b>

**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
<b>Total</b>	<b>0</b>	<b>3166</b>	<b>305</b>	<b>33058</b>	<b>54310</b>	<b>12230</b>	<b>103069</b>

## 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	<u>AMOUNT</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

**B. Residential**

NAME	<u>AMOUNT</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

3. Summary of the bank account activities showing:

	<u>AMOUNT</u>
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)

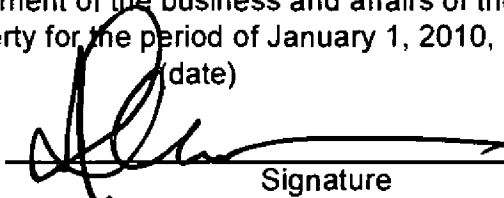
I, the undersigned ALAN WILLIAMS  
Authorized Officer, Partner or Owner

of Canada Woods Water Company - Water  
Name of Utility

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period of January 1, 2010, through December 31, 2010.

(date)

MANAGER  
Title (Please Print)

  
Signature

831.624.3179  
Telephone Number

5-25-2011  
Date