

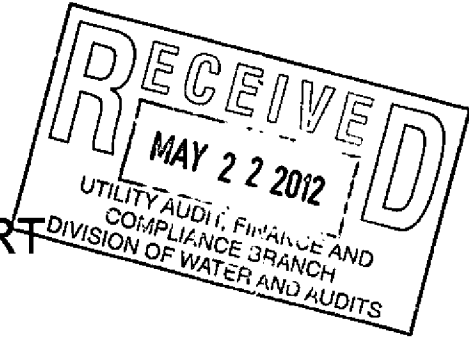
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**CLASS D
WATER UTILITIES**

U# _____

**2011
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, 2011**

REPORT MUST BE FILED NOT LATER THAN APRIL 2, 2012

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 16, 2012

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, 2011, and the related income statement for the year ended December 31, 2011, 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 APRIL 2, 2012**, 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 Page 12, 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, 2011, through December 31, 2011. 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. 1925 Century Park East, Suite 800 Los Angeles, CA 90067
- 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. \$7,881 a/c 105, \$14,055 a/c 618, \$255,353 a/c 630, \$1,161 a/c 640, \$102,611 a/c 670, \$32,634 a/c 671, \$2,555 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

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 #16047
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 2011:

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, 2011)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	6,881,508	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	416,418	218	Proprietary capital	928,931
5	108	Accumulated depreciation of water plant	(1,220,593)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	144,419
7	124	Other investments		252	Advances for construction	
8	131	Cash	71,713	253	Other deferred credits	350,385
9	141	Accounts receivable - customers	158,160	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	6,608	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	14,400	271	Contributions in aid of construction	5,971,898
14				272	Accumulated amortization of contributions	(1,067,419)
15		Total Assets	6,328,214		Total Equity and Liabilities	6,328,214

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	6,503			124,503
19	307	Wells	558,056	-			558,056
20	317	Other water source plant	-	-			-
21	311	Pumping equipment	573,278	36,602	8,129		601,751
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	10,568			97,518
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	738			10,411
30	341	Transportation equipment	-	-			-
31		Total water plant in service	6,835,226	54,411	8,129	-	6,881,508

* 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	1,053,621		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	33,068		Composite 2.55%
35	(b) Charged to Account No. 272	142,033		
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	175,101		covered by this report \$ n/a
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired	8,129		
42	(b) Cost of removal	-		C. State method used to compute tax
43	(c) All other debits			depreciation. n/a
44	Total debits	8,129		
45	Balance in reserve at end of year	1,220,593		
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
2	Preferred - (Shares	, \$	par)	N/A	and number of shares owned by each:
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	xxxxxxxxxxx
10	460 Unmetered water revenue	
11	462 Fire protection revenue	
12	465 Irrigation revenue	239,738
13	470 Metered water revenue	632,625
14	480 Other water revenue	1,445
15	Total Operating Revenue	873,808
16	Operating revenue deductions	xxxxxxxxxxx
17	Operating expenses	xxxxxxxxxxx
18	610 Purchased water	-
19	615 Power	118,098
20	618 Other volume related expenses	355,347
21	630 Employee labor	255,842
22	640 Materials	32,748
23	650 Contract work	73,978
24	660 Transportation expenses	
25	664 Other plant maintenance expense	5,561
26	670 Office salaries	102,611
27	671 Management salaries	131,712
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	2,996
31	681 Office supplies and expense	12,721
32	682 Professional services	92,535
33	684 Insurance	34,674
34	688 Regulatory commission expense	4,200
35	689 General expenses	23,258
36	Total Operating Expenses	1,246,281
37	403 Depreciation expense	33,068
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	250
40	409 State corporate income tax expense	5,800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	1,285,399
43	Utility Operating Income	(411,591)
44	421 Non-utility income	-
45	426 Miscellaneous non-utility expense	474
46	427 Interest expense	-
47	Net Income	(412,065)

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	13,814,139
River Well	RW1	8	66	100	5,561,530
River Well	RW2	8	65	100	3,895,883
High Well 11	HW11	10	81	215	13,260,020
			Total		36,531,572

OTHER

Streams or springs location of diversion point	Flow in		(Unit) Diversion		Annual quantities diverted (Unit)
	Priority right		Max	Min	
n/a	Claim	Capacity			
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	2,955,864	1,019,094	19,811,326
Industrial			
Public authorities			
Irrigation			10,366,420
Other (specify)			
RO Brine waste discharge			3,138,608
UF Backwash supply			355,973
Total	2,955,864	1,019,094	33,672,327

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		N/A - Employee labor expense is for contract workers of Carmel Lahaina Utility Services		
50	671	Management salaries		and Carmel Development Company.		
51		Total		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	78	78
1.5'-in	32	32
2-in	24	24
3-in		
4-in	4	4
Total	142	142

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	120		120				120	0
			0				0	0
Industrial			0				0	0
Other (specify) Commercial	19		19				19	0
Irrigation & Construction *	3		3				3	0
Subtotal	142		142				142	0
Fire protection (Hydrants)		69	69				0	69
Total	142	69	211				142	69

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
							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 2011, 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 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, 2011, through December 31, 2011.

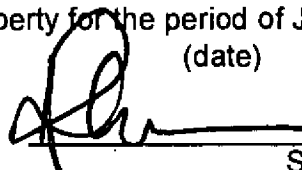
(date)

MANAGER

Title (Please Print)

831-624-3179

Telephone Number



Signature

5-18-2012

Date