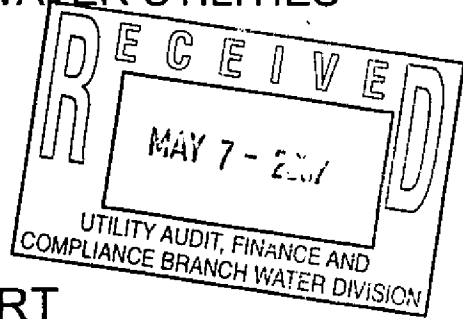


74

Received _____
Examined _____

**CLASS D
WATER UTILITIES**



U# _____

**2006
ANNUAL REPORT
OF**

DEL ORO WATER COMPANY INC.

JOHNSON PARK DISTRICT

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

DRAWER 5172, CHICO, CALIFORNIA 95927-5172

(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)

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
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.

Summary of Earnings		
Test Year 2006		
Account Number	Operating Revenue	
470	Metered	58,002
460	Unmetered	35,982
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	93,984
	Operating Expenses	
610	Purchased Water	0
615	Purchased Power	21,307
	Pump Taxes	0
	Purchased Chemicals	0
618	Other Vol. Related Expense	640
630	Employee Labor	13,005
640	Materials	3,138
650	Contract Work	90
	Water Testing	760
660	Transportation Expense	2,995
664	Other Plant Maintenance	166
670	Office Salaries	11,940
671	Management Salaries	5,383
674	Employee Pensions and Benefits	3,044
676	Uncollectables	629
678	Office Service and Rentals	3,942
681	Office Supplies and Expense	7,962
682	Professional Services	1,071
684	Insurance	4,709
688	Regulatory Expense	420
689	General Expense	1,197
	Subtotal	82,397
403	Depreciation Expense	2,934
	Ad Valorem Taxes	0
	Payroll Taxes	1,260
408	Taxes other than income	1,333
409	State Income Tax	
410	Federal Income Tax	
	Total Deductions	87,923
	Net Revenue	6,061
	Rate Base	
	Average Plant	155,063
	Average Depreciation Reserve	(24,957)
	Net Plant	130,106
	Less: Advances	(22,209)
	Less: Contributions	(14,547)
	Plus: Construction in Progress	161,328
	Plus: Working Cash	6,677
	Plus: Material & Supplies	
	Rate Base	391,460
	ROR=Net Rev/Rate Base	1.5%

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

DEL ORO WATER COMPANY, INC.

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

DRAWER 5172, CHICO, CALIFORNIA 95927-5172

(Official mailing address)

JOHNSON PARK, SHASTA COUNTY

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization _____ incorporated in the State of California
 - (B) Names, titles and addresses of principal officers:
Robert S. Fortino, President Janice Hanna, Secretary Drawer 5172, Chico, CA 95927
- 2 If unincorporated give the name and address of owner or of each partner:

- 3 Name and telephone number of:
 - (A) One person listed above to receive correspondence: Janice Hanna, 530-894-1100
 - (B) Person responsible for operations and services: Paul J. Matulich, 530-894-1100
- 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)
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?
- 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:

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
<input type="checkbox"/>	<input checked="" type="checkbox"/>	03/27/97
<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2/1981
<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	

SPECIAL INSTRUCTIONS (over)

SPECIAL INSTRUCTIONS

- 1 Beginning of year balances must agree with end of year balances shown in report for previous year.
Attach a supplementary statement to explain any differences.
- 2 Attach a supplementary statement to explain adjustments in Schedule B - Water Plant in Service.
- 3 Complete all schedules, using the words "None" or "Not applicable" if appropriate.
- 4 Report must be prepared legibly in ink or by typewriter.

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2006

NAME OF UTILITY DEL ORO WATER CO., INC. PHONE 530-894-1100
JOHNSON PARK DISTRICT
PERSON RESPONSIBLE FOR THIS REPORT JANICE HANNA
(Prepared from Information in the 2006 Annual Report)

	01/01/06	12/31/06	Average
BALANCE SHEET DATA			
1 Intangible Plant	415	415	415
2 Land and Land Rights	57,509	57,509	57,509
3 Depreciable Plant	97,140	97,140	97,140
4 Gross Plant in Service	155,063	155,063	155,063
5 Less: Accumulated Depreciation	(21,113)	(24,957)	(23,035)
6 Net Water Plant in Service	133,950	130,106	132,028
7 Water Plant Held for Future Use			
8 Construction Work in Progress	19,203	161,328	90,266
9 Materials and Supplies			
10 Less: Advances for Construction	0	(22,209)	(11,105)
11 Less: Contribution in Aid of Construction	(15,457)	(14,547)	(15,002)
12 Less: Accumulated Deferred Income and Investment Tax Credits	()	()	()
13 Net Plant Investment	137,695	254,678	196,187
CAPITALIZATION			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	63,316	217,994	140,655
17 Retained Earnings	85,749	76,100	80,925
18 Common Stock and Equity (Lines 14 through 17)	149,065	294,094	221,579
19 Preferred Stock			
20 Long-Term Debt	41,017	16,510	28,763
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	190,082	310,604	250,343

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2006

(continued)

NAME OF UTILITY DEL ORO WATER CO., INC. PHONE 530-894-1100
JOHNSON PARK DISTRICT

		Annual Amount
INCOME STATEMENT		
23	Unmetered Water Revenue	38,108
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	58,002
27	Total Operating Revenue	96,110
28	<u>Operating Expenses</u>	82,397
29	Depreciation Expense (Composite Rate _____)	2,934
30	Amortization and Property Losses	_____
31	Property Taxes	1,333
32	Taxes Other Than Income Taxes	1,260
33	Total Operating Revenue Deduction Before Taxes	8,187
34	California Corp. Franchise Tax	_____
35	Federal Corporate Income Tax	_____
36	Total Operating Revenue Deduction After Taxes	8,187
37	Net Operating Income (Loss) - California Water Operations	8,187
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	1,022
39	Income Available for Fixed Charges	_____
40	Interest Expense	(1,858)
41	Net Income (Loss) Before Dividends	7,351
42	Preferred Stock Dividends	_____
43	Net Income (Loss) Available for Common Stock	_____

OTHER DATA		
44	Refunds of Advances for Construction	0
45	Total Payroll Charged to Operating Expenses	30,328
46	Purchased Water	0
47	Power	21,307

	(Exc. Fire Protect.)_____	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections	315	320	317.5
49	Flat Rate Service Connections	_____	_____	_____
50	Total Active Service Connections	315	320	317.5

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

Please provide 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: **N/A**

Name: _____

Address: _____

Phone Number: _____

Date Hired: _____

2. Former Fiscal Agent:

Name: _____

Address: _____

Phone Number: _____

Date Hired: _____

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

\$ _____

4. 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	_____

5. Account information:

Bank Name: _____

Account Number: _____

Date Opened: _____

6. Plant amounts included in Schedule A, Account No. 101--Water Plant in Service which were funded using SDWBA 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, 2006)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	155,063	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	217,994
3	104	Water plant purchased or sold		215	Retained earnings	93,100
4	105	Water plant construction work in progress	161,328	218	Proprietary capital - Dividends Paid	(17,000)
5	108	Accumulated depreciation of water plant	(24,957)	224	Long term debt	16,510
6	114	Water plant acquisition adjustments			Current Liabilities	38,509
7	124	Other investments		252	Advances for construction	
8	131	Cash	64,194	253	Other deferred credits	
9	141	Accounts receivable - customers	5,920	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	1,273	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	840	271	Contributions in aid of construction	14,547
14				272	Accumulated amortization of contributions	
15		Total Assets	363,660		Total Equity and Liabilities	363,660

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	155	260			415
17	303	Land	57,509				57,509
18	304	Structures	2,986				2,986
19	307	Wells	3,225				3,225
20	317	Other water source plant	0				0
21	311	Pumping equipment	25,620				25,620
22	320	Water treatment plant	1,362				1,362
23	330	Reservoirs tanks and sandpipes	5,769				5,769
24	331	Water mains	35,796				35,796
25	333	Services and meter installations	6,235				6,235
26	334	Meters	6,902				6,902
27	335	Hydrants	1,398				1,398
28	339	Other equipment	3,947				3,947
29	340	Office furniture and equipment	3,774				3,774
30	341	Transportation equipment	125				125
31		Total water plant in service	154,804	260			155,064

* 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	21,113		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	2,934		
35	(b) Charged to Account No. 272	910		
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	3,844		covered by this report \$
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.
44	Total debits			
45	Balance in reserve at end of year	24,957		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	0
Additions during year	22,209
Subtotal - Beginning balance plus additions during year	22,209
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	22,209

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

Size	Meters	Services
5/8 x 3/4-in	313	309
3/4-in	4	4
1-in	4	4
1.5'-in	3	3
Total	324	320

SCHEDULE L - METER-TESTING DATA

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

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	304			4			308	
Industrial	14						14	
Other (specify)	1			0			1	
Fire Dept.	1			0			1	
School	1			0			1	
Subtotal	320			4			324	
Fire protection (Hydrants)	12			0			12	
Total	332			4			336	

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)

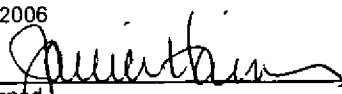
Description	No.	Combined capacity in gallons	Description	2" and	2 1/4 to	4"	8"	Totals
				under	3 1/4		Other sizes (specify)	
Concrete			Cast Iron					
Earth			Welded steel			6600	45	6645
Wood			Standard screw	26150	75			26225
Steel	3	96,200	Cement-asbestos					0
Other			Plastic		700	1500	2920	5120
			Other (specify)			1420		1420
Total	3	96,200	Total	26150	775	9,520	2965	39,410

DECLARATION

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

I, the undersigned (officer, partner or owner) of **Del Oro Water Co., Inc. Johnson Park District** 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

From and including January 1, 2006, to and including December 31, 2006


 Signed
 Janice Hanna
 Title
 Director of Corporate Accounting
 Date: March 31, 2007