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CLASS D
WATER UTILITIES

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APR 10 2003
UTILITY AUDIT, FINANCE AND
COMPLIANCE BRANCH WATER DIV.

U# _____

2007
ANNUAL REPORT
OF

Mountain Mesa Water Company, Inc.

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

PO Box 2431 Bakersfield, CA 93303-2431

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2007

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2008

(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
ATTN: Kayode Kajoypaiye
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 the last page, must be signed by an 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.
9. This report must cover a calander year, from January 1 through December 31. Fiscal year reports will not be accepted.

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Mountain Mesa Water Company

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

Post Office Box 2431, Bakersfield, CA 93303-2431

(Official mailing address)

Weldon in Kern County

(Service area-town and county)

Telephone Number: **661-340-4096**

Fax Number:

Email Address:

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

- 1 If a corporation show:
 - (A) Date of organization _____ incorporated in the State of _____
 - (B) Names, titles and addresses of principal officers:

- 2 If unincorporated provide the name and address of the owner(s) or the partners:
Scott Kissick, PO Box 2431 Bakersfield, CA 93303-2431

- 3 Name, title, and telephone number of:
 - (A) One person listed above to receive correspondence:
 - (B) Person responsible for operations and services:
Cal Water

- 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

	Yes	No	Latest Date
6 Has state or local health department inspection been made during the year?	X		
7 Are routine laboratory tests of water being made?	X		
8 Has state health department water supply permit been obtained? (Indicate date)	X		2/2/1996
9 If no permit has been obtained, state whether application has been made and when.			
10 Show expiration date if state permit is temporary.			

- 11 List Name, Grade, and License Number of all Licensed Operators:
Cal Water

Excess Capacity and Non-Tariffed Services

NOTE: In D 00-07-218, D 03-04-024, 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 00-07-218, D 03-04-024, and D 04-12-023, provide the following information by specifying individual non-tariffed good and service provided in 2007:

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 approved 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 Requested Assets used in the provision of a Non-Tariffed Good/Service (by account)	Requested Asset Account Number
Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											

N/A

**CLASS A, B, C AND D 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: _____
 Account 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	_____	_____
Number 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	_____

CLASS A, B, C AND D WATER COMPANIES

SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (cont.)

5. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA or SRF funds:

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			N/A		
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, 2007)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 845,826	201	Common Stock (Corporations only)	\$ 31,190
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	\$ 167,990
3	104	Water plant purchased or sold		215	Retained earnings	\$ 109,710
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	\$ (271,861)	224	Long term debt (Internal)	\$ 284,179
6	114	Water plant acquisition adjustments			Current Liabilities	\$ 28,276
7	124	Other investments		252	Advances for construction	\$ 13,230
8	131	Cash	\$ 8,205	253	Other deferred credits	
9	141	Accounts receivable - customers	\$ 11,062	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies	\$ 62,594	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	\$ 19,487
14				272	Accumulated amortization of contributions	\$ 1,763
15		Total Assets	\$ 655,825		Total Equity and Liabilities	\$ 655,826

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	\$ 1,225				\$ 1,225
17	303	Land	\$ 1,500				\$ 1,500
18	304	Structures					\$ -
19	307	Wells	\$ 109,893	\$ 51,600	\$ 2,745		\$ 158,748
20	317	Other water source plant					\$ -
21	311	Pumping equipment	\$ 69,340	\$ 262			\$ 69,602
22	320	Water treatment plant	\$ 5,608	\$ 275,801			\$ 281,409
23	330	Reservoirs tanks and sandpipes	\$ 125,087				\$ 125,087
24	331	Water mains	\$ 116,111				\$ 116,111
25	333	Services and meter installations	\$ 23,454				\$ 23,454
26	334	Meters	\$ 31,744				\$ 31,744
27	335	Hydrants	\$ 10,027				\$ 10,027
28	339	Other equipment	\$ 25,000				\$ 25,000
29	340	Office furniture and equipment	\$ 1,919				\$ 1,919
30	341	Transportation equipment					\$ -
31		Total water plant in service	\$ 520,908	\$ 327,663	\$ 2,745	\$ -	\$ 845,826

* 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	\$ 259,943		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			
35	(b) Charged to Account No. 403	\$ 11,918		
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			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	\$ 271,861	\$ -	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2007)

Line					
1	Common - (Shares	31,190	\$1	par)	\$ 31,190
2	Preferred - (Shares		\$	par)	
3	Dividends - Common	Rate - \$			
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	Kissack Ranch				\$ 186,143	3.4%	\$ 6,329	
6	William Scott Kissick				\$ 50,000	3.4%	\$ 1,700	
7	Grace L. Kissack				\$ 48,037	3.4%	\$ 1,633	
8	Totals				\$ 284,179		\$ 9,662	

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxxx
10	460 Unmetered water revenue	
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	\$ 127,323
14	480 Other water revenue	
15	Total Operating Revenue	\$ 127,323
16	Operating revenue deductions	xxxxxxxxxxx
17	Operating expenses	xxxxxxxxxxx
18	610 Purchased water	\$ 28,276
19	615 Purchased power	\$ 27,047
20	618 Other volume related expenses	\$ 8,926
21	630 Employee labor	
22	640 Materials	\$ 3,072
23	650 Contract work	\$ 25,137
24	660 Transportation expenses	\$ 6,977
25	664 Other plant maintenance expense	\$ 257
26	670 Office salaries	
27	671 Management salaries	\$ 8,000
28	674 Employee pensions and benefits	\$ 2,000
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	\$ 4,566
31	681 Office supplies and expense	\$ 225
32	682 Professional services	\$ 3,340
33	684 Insurance	\$ 2,311
34	688 Regulatory commission expense	\$ 3,458
35	689 General expenses	\$ 4,407
36	Total Operating Expenses	\$ 127,999
37	403 Depreciation expense	\$ 11,918
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	\$ 2,536
40	409 State income tax expense	\$ 800
41	410 Federal income tax expense	
42	Total Operating Revenue Deductions	\$ 15,255
43	Utility Operating Income	\$ (15,931)
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	\$ (9,662)
47	Net Income	\$ (25,593)

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
Ranch Well	1	10	140	650	
Ranch Well	3	16	180	180	
McCray Road	4	6	200	50	

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:					
Cal Water					

SCHEDULE H 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			
Commercial			
Industrial			
Fire Protection			
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	1	\$ 8,000		\$ 8,000
51		Total				\$ 8,000

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	\$ 13,860
Additions during year	
Subtotal - Beginning balance plus additions during year	\$ 13,860
Refunds	\$ 630
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	\$ 13,230

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

Size	Meters	Services
5/8 x 3/4-in	360	
3/4-in	1	
1-in	2	
-in	2	
-in	5	
Total	370	

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	

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	346		346	24		24	370	0
Industrial/Commercial	29							
Irrigation								
Fire Protection (Hydrants)		34	34					
Fire Protection (private)								
Other (specify)								
Total	375	34	409	24	0	24	370	34

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)

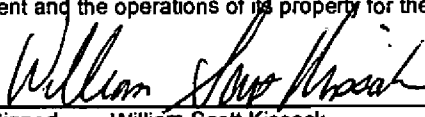
Description	No.	Combined capacity in gallons	Description	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)		Totals
							6"	8"	
Concrete			Cast Iron						-
Earth			Welded steel						-
Wood			Standard screw						-
Steel	3	432,000	Cement-asbestos				24160	5923	30,083
Other			Plastic	8,784			1320		10,104
			Other (specify)						-
Total	3	432,000	Total	8,784	0		25480	5923	40,187

DECLARATION

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

I, the undersigned (officer, partner or owner) **William Scott Kissack** (Name of utility), **Mountain Mesa Water Company** 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, 2007 through December 31, 2007 .


 Signed **William Scott Kissack**
 Title **Vice-President**
 Date **3/27/08**

FACILITIES FEES DATA

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

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:

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:

