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CLASS D
WATER UTILITIES
RECEIVED
APR 2 - 2007
UTILITY AUDIT, FINANCE AND
COMPLIANCE BRANCH WATER DIVISION

U# _____

2006
ANNUAL REPORT
OF

Point Arena Water Works, Inc.

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

P. O. Box 205

Point Arena, CA

95468

(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
ATTN: Kayode Kajoypaiye
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, 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 calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

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

Point Arena Water Works

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

P.O.Box 205, Point Arena, CA 95468

(Official mailing address)

Point Arena City & Vicinity, Mendocino County

(Service area-town and county)

Telephone Number: (707) 882-1696 Fax Number: (707) 882-3258 Email Address: officemgr@paww.info

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

- 1 If a corporation show:
 - (A) Date of organization 2/2/1984 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers:
William G Hay, Jr. President, P.O. Box 205, Point Arena, CA 95468
- 2 If unincorporated provide the name and address of the owner(s) or the partners:

- 3 Name, title, and telephone number of:
 - (A) One person listed above to receive correspondence:
 - (B) Person responsible for operations and services:
William G. Hay Jr., President (707) 882-1696
- 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) 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: N/A

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	7/31/2003
X		12/19/2006
X		Sep. 1955

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

William G Hay, Jr. Grade D1 20524

Edward Christensen, Grade D1 20525

Point Arena Water Works, Inc.

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

Please COMPLETE 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:

Name: Not Applicable

Address: _____

Phone Number: _____

Date Hired: _____

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

\$ _____

3. 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

\$ _____

POINT Arena Water Works, Inc.
Not Applicable

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

4. Plant amounts which were funded using SDWBA funds should also be included in Schedule A, Account No. 101--Water Plant in Service

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					

Point Arena Water Works, Inc.

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 20__)

Line	Acct.	Assets		Equity and Liabilities	
			Balance	Acct.	Balance
1	101	Water plant in service	1,369,788	201	Common Stock (Corporations only)
2	103	Water plant held for future use	3,106	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		218	Proprietary capital
5	108	Accumulated depreciation of water plant	<492,359>	224	Long term debt
6	114	Water plant acquisition adjustments			Current Liabilities
7	124	Other investments		252	Advances for construction
8	131	Cash	<24,899>	253	Other deferred credits
9	141	Accounts receivable - customers	6,863	255	Accumulated deferred investment tax credits
10	142	Receivables from associated companies	12,827	282	Accumulated deferred income taxes - Acrs depreciation
11	151	Materials and supplies		283	Accumulated deferred income taxes - other
12	174	Other current assets	256	271	Contributions in aid of construction
13	180	Deferred charges	2,740	272	Accumulated amortization of contributions
14					
15		Total Assets	878,322		Total Equity and Liabilities

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	13,007				13,007
17	303	Land					
18	304	Structures	98,962				98,962
19	307	Wells	45,543				45,543
20	317	Other water source plant	22,580				22,580
21	311	Pumping equipment	203,162	3,671			206,833
22	320	Water treatment plant	18,367				18,367
23	330	Reservoirs tanks and sandpipes	70,768				70,768
24	331	Water mains	741,254				741,254
25	333	Services and meter installations	45,514	524			46,038
26	334	Meters	18,656				18,656
27	335	Hydrants	54,766				54,766
28	339	Other equipment	17,711				17,711
29	340	Office furniture and equipment	7,154	552			7,706
30	341	Transportation equipment	7,597				7,597
31		Total water plant in service	1,365,041	4,747			1,369,788

* 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	464,963		
33	Add: Credits to reserves during year			A. Method used to compute depreciation expense (Acct. 403) and rate. 2% S/L
34	(a) Charged to Account No. 272	16,064		
35	(b) Charged to Account No. 403	11,332		
36	(c) Charged to Account No. 407			
37	(d) Salvage recovered			B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$ 10,202
38	(e) All other credits			
39	Total credits	492,359		
40	Deduct: Debits to reserves during year			C. State method used to compute tax depreciation. S/L & DDB
41	(a) Book cost of property retired			
42	(b) Cost of removal			
43	(c) All other debits			
44	Total debits			
45	Balance in reserve at end of year	492,359		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

Point Arena Water Works, Inc.

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 20__)

Line	Common - (Shares)	2,000	\$10	par)	120,000	List persons owning more than 5% of outstanding stock and number of shares owned by each:
1	Common - (Shares)	2,000	\$10	par)	120,000	
2	Preferred - (Shares)		\$	par)		
3	Dividends - Common	Rate - \$				William G Hay, Jr. & Karen J Hay 12,000
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	SBA Loan	1978	2008	171,000	10,553	2.75%		468
6	Bed Rock, Inc	11/21/00	2/1/09	37,458	12,617	9.5%		1,475
7								
8	Totals			208,458	23,170			1,943

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	194,623
14	480 Other water revenue	
15	Total Operating Revenue	194,623
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Purchased power	14,463
20	618 Other volume related expenses	917
21	630 Employee labor	6,111
22	640 Materials	5,730
23	650 Contract work	23,794
24	660 Transportation expenses	7,420
25	664 Other plant maintenance expense	5,277
26	670 Office salaries	8,467
27	671 Management salaries	20,554
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	571
30	678 Office services and rentals	23,950
31	681 Office supplies and expense	5,596
32	682 Professional services	42,826
33	684 Insurance	7,752
34	688 Regulatory commission expense	2,680
35	689 General expenses	678
36	Total Operating Expenses	176,786
37	403 Depreciation expense	11,332
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	9,964
40	409 State income tax expense	800
41	410 Federal income tax expense	
42	Total Operating Revenue Deductions	198,882
43	Utility Operating Income <LOSS>	<4,259>
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	1,943
47	Net Income <LOSS>	<6,202>

Point Arena Water Works, Inc.

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	
Additions during year	31,187
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	31,187

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

Size	Meters	Services
5/8 x 3/4-in	185	185
3/4-in	6	6
1-in	13	13
-in	8	8
-in	4	4
Total	216	216

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1 Used, before repair...	12
2 Used, after repair ...	Replaced
3 Fast, requiring refund ...	None
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	126		126					
Industrial/Commercial	65		65	19		19	145	
Irrigation				6		6		71
Fire Protection (public)								
Fire Protection (private)								
Other (specify)								
Total	191		191	25		25	216	

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

SCHEDULE N - STORAGE FACILITIES

Description	No.	Combined capacity in gallons
Concrete	1	285,000
Earth		
Wood	3	272,000
Steel		
Other		
Total	4	557,000

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	2" and under	2 1/4 to 3 1/4	4"	6"	8"	12"	Other sizes (specify)	Totals
Cast Iron								
Welded steel							300	300
Standard screw	300							300
Cement-asbestos		600	5700	7500	500			14300
Plastic	1400	760	600	14700	4700	10100		32260
Other (specify)								
Total	1700	1360	6300	22100	5500	10100		47160

DECLARATION

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

I, the undersigned (officer, partner or owner) of Point Arena Water Works, Inc (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 calendar year.

January 1, 20 06 through December 31, 20 06

Signed William G. Hay, Jr.
 Title President
 Date March 27-2007