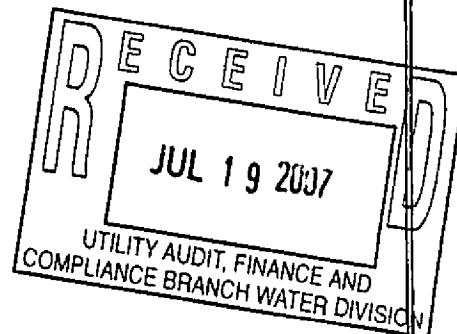


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Received _____
Examined _____

**CLASS D
WATER UTILITIES**

U# _____



**2006
ANNUAL REPORT
OF**

SEQUOIA CREST, INC.

SEQUOIA CREST WATER COMPANY

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

55124 REDWOOD DRIVE

SPRINGVILLE, CA 93265

(OFFICIAL MAILING ADDRESS)

ZIP

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

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2007
(FILE TWO COPIES IF THREE RECEIVED)

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

SEQUOIA CREST WATER CO.

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

55124 REDWOOD DRIVE, SPRINGVILLE, CA 93265

(Official mailing address)

SEQUOIA CREST, TULARE COUNTY

(Service area-town and county)

Telephone Number: (559) 542-2188

Fax Number: (559) 542-3003

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 4/1/59 incorporated in the State of California
 (B) Names, titles and addresses of principal officers:
 Skip Rouch - President - 54773 Chinquapin Dr., Springville, CA 93265
 Carla Rouch - Secretary - 55124 Redwood Dr., Springville, CA 93265

- 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: Skip Rouch - President - (559) 542-3000
 (B) Person responsible for operations and services: Skip Rouch - Manager - (559) 542-3000

- 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:

PUBLIC HEALTH STATUS

Yes	No	Latest Date
<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Monthly 3/07
<input type="checkbox"/>	N/A	
<input type="checkbox"/>	N/A	
<input type="checkbox"/>	N/A	

- 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.

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

John McFadden, Grade D-1, License # 22598

Excess Capacity and Non-Tariffed Services

SEQUOIA CREST WATER CO.

NOTE: In D.00-07-018, D.03-04-028, and D. 04-12-023 the CRUC 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 request

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 for each individual non-tariffed good and service provided in 200 .

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 approving 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 Regulated Assets used in the provision of a Non-Tariffed Good/Service (by account)	Regulated Asset Account Number

Applies to All Non-Tariffed Good/Services that require Approval by Advice Letter

NONE

**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: Bank of America - State of CA Servicing Gr No. 14436
 Address: 555 Capital Mall, Sacramento, CA 94814
 Phone Number: (916) 321-4840

Date Hired: _____

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

\$ None - Sequoia Crest, Inc did not have any loans outstandings as of year ended March 31, 2007, but will be receiving a loan during the next fiscal year.

3. Summary of the trust bank account activities showing:

Balance at beginning of year		\$	<u>1,016</u>
Deposits during the year	Interest only		<u>3</u>
Withdrawals made for loan payments			<u> </u>
Other withdrawals from this account			<u> </u>
Balance at end of year		\$	<u>1,019</u>

SEQUOIA CREST WATER CO.

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

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

4.

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	None	None	None	None	None
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	None	None	None	None	None
20		Total water plant in service	None	None	None	None	None

SEQUOIA CREST WATER CO.

SCHEDULE A - BALANCE SHEET (MARCH 31, 2007)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	269,619	201	Common Stock (Corporations only)	4,020
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	31
3	104	Water plant purchased or sold		215	Retained earnings	71,046
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(137,162)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	113,023
7	124	Other Investments		252	Advances for construction	
8	131	Cash	1,059	253	Other deferred credits	
9	141	Accounts receivable - customers	48,270	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	6,334	283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	188,120		Total Equity and Liabilities	188,120

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	1,068				1,068
17	303	Land	-				-
18	304	Structures	-				-
19	307	Wells	52,421				52,421
20	317	Other water source plant	1,602				1,602
21	311	Pumping equipment	16,886				16,886
22	320	Water treatment plant	-				-
23	330	Reservoirs tanks and sandpipes	71,820				71,820
24	331	Water mains	52,263				52,263
25	333	Services and meter installations	2,625				2,625
26	334	Meters	-				-
27	335	Hydrants	6,563	14,584			21,147
28	339	Other equipment	49,787				49,787
29	340	Office furniture and equipment	-				-
30	341	Transportation equipment	-				-
31		Total water plant in service	255,035	14,584			269,619

* 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	125,163		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			Straight Line 7 - 33 Year Life
35	(b) Charged to Account No. 403	11,999		
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 \$ 13,905
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			Straight Line 25 - 33 Year Life
45	Balance in reserve at end of year	137,162		MACRS & Sec 179
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SEQUOIA CREST WATER CO.

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

Line				
1	Common - (Shares 1,200	\$	par)	List persons owning more than 5% of outstanding stock
2	Preferred - (Shares	,	\$ par)	and number of shares owned by each:
3	Dividends - Common	Rate - \$		SEE SCHEDULE ATTACHED
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								
6								
7								
8	Totals				None			

SCHEDULE F - INCOME STATEMENT

9		Operating revenues	xxxxxxxxxxx
10	460	Unmetered water revenue	44,778
11	462	Fire protection revenue	
12	465	Irrigation revenue	
13	470	Metered water revenue	
14	480	Other water revenue	
15		Total Operating Revenue	44,778
16		Operating revenue deductions	xxxxxxxxxxx
17		Operating expenses	xxxxxxxxxxx
18	610	Purchased water	
19	615	Purchased power	2,851
20	618	Other volume related expenses	
21	630	Employee labor	
22	640	Materials	
23	650	Contract work	11,989
24	660	Transportation expenses	
25	664	Other plant maintenance expense	2,083
26	670	Office salaries	
27	671	Management salaries	
28	674	Employee pensions and benefits	
29	676	Uncollectible accounts expense	
30	678	Office services and rentals	
31	681	Office supplies and expense	
32	682	Professional services	5,482
33	684	Insurance	4,391
34	688	Regulatory commission expense	1,028
35	689	General expenses	2,438
36		Total Operating Expenses	30,262
37	403	Depreciation expense	11,999
38	407	SDWBA loan amortization expense	
39	408	Taxes other than income taxes	1,459
40	409	State income tax expense	800
41	410	Federal income tax expense	
42		Total Operating Revenue Deductions	44,520
43		Utility Operating Income	258
44	421	Non-utility income	5,004
45	426	Miscellaneous non-utility expense	
46	427	Interest expense	
47		Net Income	5,262

SEQUOIA CREST WATER CO.

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
LOGGING CAMP	1	18"	0'	43	200,000 + -
RAIN GAUGE	1	8"	300'	6	100,000 + -
BELOW POPPY LAKE	1	8"	200'	11	300,000 + -

OTHER

Streams or springs location of diversion point	Flow in Priority right		(Unit) Diversions		Annual Quantities Diverted Unit
	Claim	Capacity	Max	Min	
N/A					
Purchased water (unit)				Annual Quantity	
Supplier:					

SCHEDULE H - OPTIONAL 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 & business			
Industrial/Commercial			
Fire Protection			
Irrigation			
Other (specify)			
Total	N/A	N/A	N/A

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				
51		Total	NONE	NONE	NONE	NONE

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	None

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

Size	Meters	Services
5/8 x 3/4-in		
3/4-in		102
1-in		
-in		
-in		
Total	None	102

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		102	102			0		102
Industrial/Commercial								
Irrigation								
Fire Protection (public)		29	29					29
Fire Protection (private)								
Other (specify)								
Total								
		131	131			0		131

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				Other sizes (specify)	Totals
				2"	2 1/4"	3"	4"		
Concrete			Cast iron						
Earth			Welded steel						
Wood	1	98,000	Standard screw	2,000				2,000	
Steel	2	182,000	Cement-asbestos		1,000	3,000	12,500	16,500	
Other			Plastic	5,300		2,500		7,800	
			Other (specify)						
Total	3	278,000	Total	7,300	1,000	5,500	12,500	26,300	

DECLARATION

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

I, the undersigned (officer, partner or owner) of Sequoia Crest, Inc. (Sequoia Crest Water Co.) (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.

April 1, 2006 through March 31, 2007.

Signed *Alex Rouch*
 Title PRESIDENT
 Date 7/16/07

SEQUOIA CREST, INC
SEQUOIA CREST WATER CO.
PUC ANNUAL REPORT FOR YEAR ENDING 3/31/07

STMT 1

SCHEDULE D, CAPITAL STOCK OUTSTANDING, LINE 1 COMMON STOCK

<u>SHAREHOLDERS NAME</u>	<u>TOTAL SHARES HELD</u>
ALDEN V. MUNSON, JR	100
CHARLES MUNSON	100
MARUERITE (PEGGY) M. HOVER	100
TAMINA HUTERS	60
PATRICIA JACOBS	60
CLAUDE (SKIP) ROUCH	60
THERESA CHAMPNEYS	60
MICHAEL ROUCH	60
JERRY LEE ROUCH	100
JAMES ROUCH	100
THOMAS ROUCH	100
ROBERTS N. ROUCH JR.	60
CHARLOTTE S. THOMPSON	60
RICHARD D. ROUCH	60
TIMOTHY M. ROUCH	60
NANCY GOLDFOGEL	60
	<hr/>
TOTAL SHARES	1200