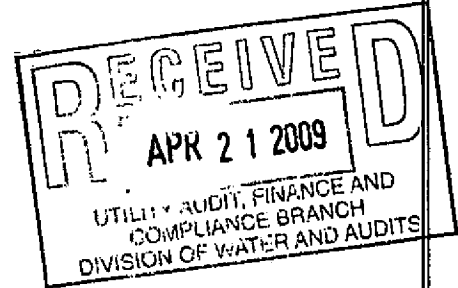


Received _____
Examined _____

CLASS D
WATER UTILITIES

U# 436 W _____

2008
ANNUAL REPORT
OF



THE CASMITE CORPORATION

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

4051 Broad Street, Suite 230, San Luis Obispo, California 93401

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2008

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2009

(FILE TWO COPIES IF THREE RECEIVED)

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

March 30, 2009

Casmite Corporation
P O Box 1069
San Luis Obispo, California 93406

We have compiled the balance sheet of Casmite Corporation as of December 31, 2008, and the related income statement for the year ended December 31, 2008, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information included on page 7 (Schedules B & C), page 8 (Schedules D, E, & F), page 9 (Schedule I), page 10 (Schedule J), page 4 of Excess Capacity, page 11 for Facilities Fee Data, and pages 5 and 6 of Class B, C and D Water Companies – Safe Drinking Water Bond Act Data.

Our compilation was limited to presenting, in the form prescribed by the Public Utilities Commission of the State of California, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and, accordingly, do not express an opinion or any other form of assurance on them.

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 generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

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.

PEASLEY, ALDINGER, & O'BYMACHOW
AN ACCOUNTANCY CORPORATION



Christian L. Aldinger
Certified Public Accountant

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)

THE CASMITE CORPORATION

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

4051 BROAD STREET, SUITE 230, SAN LUIS OBISPO, CALIFORNIA 93401

(Official mailing address)

CASMALIA AND NEARBY AREA, SANTA BARBARA COUNTY

(Service area-town and county)

Telephone Number: 805.546.6950 Fax Number: 805.546.6900 Email Address: kaduran@chevron.com

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

- 1 If a corporation show:
 (A) Date of organization 10/30/1936 incorporated in the State of Nevada
 (B) Names, titles and addresses of principal officers:
 Steven A. Berg, President, 6001 Bollinger Canyon Road, San Ramon, CA 94528
 Brian J. Kelly, Vice President, 145 State College Blvd., 4th Floor, Brea, CA 92821
 Donald Means, Vice President, 6001 Bollinger Canyon Road, San Ramon, CA 94528
 Kari H. Endries, Vice President/Secretary, 6001 Bollinger Canyon Road, San Ramon, CA 94528
 Howard B. Sheppard, Treasurer, 6001 Bollinger Canyon Road, San Ramon, CA 94528
 Kelly Duran, Assistant Secretary, 276 Tank Farm Road, P.O. Box 1069, San Luis Obispo, CA 93406

- 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: Kelly A. Duran, 805-546-6950
 (B) Person responsible for operations and services: Kelly A. Duran, 805-546-6950

- 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
	X	
X		12/30/2008
X		9/7/2008
		N/A
		N/A

- 11 List Name, Grade, and License Number of all Licensed Operators:
Fluid Resource Management Inc; Grade: T2; License #27752 Grade: D2; Licence #31114

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 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 flags 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

Access to All Non-Tariffed Goods/Services that require Approval by Advice Letter

Row Number	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)	Employee Account Number	Advice Letter Number (including Non-Tariffed Goods/Service)	Total Income Tax Liability Incurred because of non-Tariffed Goods/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

Not Applicable

**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:

Not Applicable

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:

Not Applicable

Line No.	Accl. 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, 2008)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	764,201	201	Common Stock (Corporations only)	500
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	1,323,814
3	104	Water plant purchased or sold		215	Retained earnings	(1,508,891)
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(176,629)	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	747,352
7	124	Other investments		252	Advances for construction	
8	131	Cash		253	Other deferred credits	
9	141	Accounts receivable - customers		255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	32,820
11	151	Materials and supplies			depreciation	
12	174	Other current assets	8,023	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	595,595		Total Equity and Liabilities	595,595

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	11,868	14,607			26,475
17	303	Land					-
18	304	Structures					-
19	307	Wells					-
20	317	Other water source plant					-
21	311	Pumping equipment	299,380	26,176			325,556
22	320	Water treatment plant					-
23	330	Reservoirs tanks and sandpipes		7,371			7,371
24	331	Water mains	-	244,650			244,650
25	333	Services and meter installations	158,700	1,449			160,149
26	334	Meters					-
27	335	Hydrants					-
28	339	Other equipment					-
29	340	Office furniture and equipment					-
30	341	Transportation equipment					-
31		Total water plant in service	469,948	294,253			764,201

* 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	129,651		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Accl. 403) and rate. S/L
34	(a) Charged to Account No. 272			
35	(b) Charged to Account No. 403	46,978		
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	46,978		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. S/L
44	Total debits			
45	Balance in reserve at end of year	176,629		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2008)

Line

1	Common - (Shares 10 , \$ 50 par)	\$500		List persons owning more than 5% of outstanding stock
2	Preferred - (Shares n/a , \$ par)			and number of shares owned by each:
3	Dividends - Common Rate - \$			Union Oil Company of California - 100% of shares
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	n/a						

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	n/a
11	462 Fire protection revenue	n/a
12	465 Irrigation revenue	n/a
13	470 Metered water revenue	69,269
14	480 Other water revenue	n/a
15	Total Operating Revenue	69,269
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	n/a
19	615 Purchased power	7,733
20	618 Other volume related expenses	n/a
21	630 Employee labor	n/a
22	640 Materials	
23	650 Contract work	66,193
24	660 Transportation expenses	n/a
25	664 Other plant maintenance expense	169,044
26	670 Office salaries	n/a
27	671 Management salaries	n/a
28	674 Employee pensions and benefits	n/a
29	676 Uncollectible accounts expense	n/a
30	678 Office services and rentals	383
31	681 Office supplies and expense	49
32	682 Professional services	199,565
33	684 Insurance	n/a
34	688 Regulatory commission expense	n/a
35	689 General expenses	841
36	Total Operating Expenses	443,808
37	403 Depreciation expense	46,978
38	407 SDWBA loan amortization expense	n/a
39	408 Taxes other than income taxes	1,726
40	409 State income tax expense	
41	410 Federal income tax expense	(148,135)
42	Total Operating Revenue Deductions	344,377
43	Utility Operating Income	(275,108)
44	421 Non-utility income	n/a
45	426 Miscellaneous non-utility expense	n/a
46	427 Interest expense	n/a
47	Net Income	(275,108)

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
Black Rd., Santa Maria	1	12	160	200	14,318.73

ccf's

OTHER

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

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	July	February	4,110.74
Commercial	n/a	n/a	n/a
Industrial	n/a	n/a	0
Fire Protection	n/a	n/a	n/a
Irrigation	n/a	n/a	n/a
Other - unrecovered	June	March	1,810
CSD	June	January	8,245.30
water troughs	June	August	152.69
Total	n/a	n/a	14,318.73

ccf

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	n/a	0	0	0
49	670	Office salaries	n/a	0	0	0
50	671	Management salaries	n/a	0	0	0
51		Total	n/a	0	0	0

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	n/a
Additions during year	n/a
Subtotal - Beginning balance plus additions during year	n/a
Refunds	n/a
Transfers to Acct. 271 - Contributions in Aid of Construction	n/a
Balance end of year	n/a

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

Size	Meters	Services
5/8 x 3/4-in	11	11
3/4-in	0	0
1-in	2	2
1.5-in	1	1
2-in	1	1
Total	15	15

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	1
1 Used, before repair...	n/a
2 Used, after repair	n/a
3 Fast, requiring refund ..	n/a
Numbers of meters in service requiring test per General Order No. 103	n/a

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	4	n/a	4	1	n/a	1	5	0
Industrial/Commercial	1	n/a	1	n/a	n/a	n/a	1	0
Irrigation	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Fire Protection (public)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Fire Protection (private)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Other (specify)	1	n/a	1	n/a	n/a	n/a	1	0
Casmalia CSD								
Water Troughs	8	n/a	8	n/a	n/a	n/a	8	0
Total	14		14	n/a	n/a	n/a	15	0

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	Pipe Sizes				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete	n/a	n/a	Cast Iron	n/a	7,400			7,400
Earth	n/a	n/a	Welded steel	n/a	n/a			
Wood	n/a	n/a	Standard screw	n/a	n/a	n/a		n/a
Steel	1	84,000	Cement-asbestos	n/a	n/a	n/a		n/a
Other			Plastic	n/a	n/a	15,300		15,300
Black Poly	2	21,000	Other (specify)	n/a				
Total	3	105,000	Total	n/a				22,700

DECLARATION

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

I, the undersigned (officer, partner or owner) THE CASMITE CORPORATION 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, 2008 through December 31, 2008 .

Signed

Kyle A. Hudson

Assistant Secretary

Title

3/31/2009

Date

FACILITIES FEES DATA

Not Applicable

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. Commerical

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:

The Casmite Corporation
4051 Broad Street, Suite 230
San Luis Obispo, CA 93401

Hand Delivered

March 31, 2009

California Public Utility Commission
Water Division
505 Van Ness Avenue, Room 3105
San Francisco, California 94102-3298

Attn: Mr. Kayode Kajopaiye

Re: 2008 Annual Report

Dear Mr. Kajopaiye:

Pursuant to the California Public Utilities Commission's General Order 104-A, the Casmite Corporation ("Casmite") hereby submits its Annual Report, and one copy, for the year ended December 31, 2008.

Please do not hesitate to contact me at (805) 546-6950 if you have any questions.

Sincerely,



Kelly A. Duran
Assistant Secretary

Enclosure

