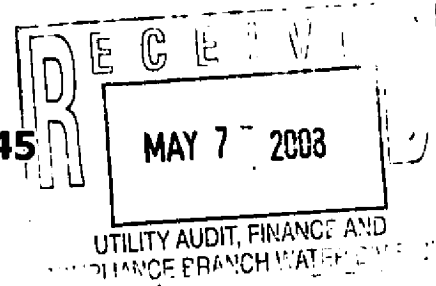


**SERENO DEL MAR WATER COMPANY**  
**P O Box 457**  
**Forestville, CA 95436-0457**  
**Phone (707) 887-7735, Fax (707) 887-9445**



May 6, 2008

Kayode Kajopaiye, Chief, Utility Audit  
Division of Water and Audit  
California Public Utilities Commission  
~~505~~ 550 Van Ness Avenue  
San Francisco, CA 94102-3298

re: 2007 Annual Report

Dear Kayode:

Please correct Schedule F "Income Statement" in Sereno Del Mar's Annual Report for 2007.

In preparing an application for a GRC, I found that our income from Carmet-by-the-Sea was credited as a negative *Power Cost* (615) (-\$1,153.11) and negative *Contract Work* (650) (-\$3,860.49). These two costs items have been corrected as \$45,013 *Other Water Revenue* (480).

Yours very truly,

A handwritten signature in black ink, appearing to be "Hal Wood".

Hal Wood

enc: Corrected Page 8, 2007 Annual Report

cc: Fred Curry, Chief  
Water and Sewer Advisory Branch  
CPUC, 505 Van Ness Ave, SF 94102-3298

g

RECEIVED  
MAY 7 2003  
UTILITY AUDIT, FINANCE AND COMPLIANCE DEPARTMENT

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

Line	Description	Rate - \$	Par	List persons owning more than 5% of outstanding stock and number of shares owned by each:
1	Common - (Shares		\$ par)	
2	Preferred - (Shares		\$ par)	
3	Dividends - Common	Rate - \$		
4	- Preferred	Rate - \$		

**SCHEDULE E - LONG TERM DEBT**

Line	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							

**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	84,534	
14	480 Other water revenue		
15	Total Operating Revenue	84,534	5,013 89,547
16	Operating revenue deductions	xxxxxxxxxxx	
17	Operating expenses	xxxxxxxxxxx	
18	610 Purchased water	600	
19	615 Purchased power	7,395	8,548
20	618 Other volume related expenses		
21	630 Employee labor		
22	640 Materials	4,910	
23	650 Contract work	59,512	* 63,372.93
24	660 Transportation expenses		
25	664 Other plant maintenance expense	564	
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	6,056	
31	681 Office supplies and expense	3,543	
32	682 Professional services	3,849	
33	684 Insurance	2,761	
34	688 Regulatory commission expense	431	
35	689 General expenses		
36	Total Operating Expenses	89,621	94,634
37	403 Depreciation expense	3,295	
38	407 SDWBA loan amortization expense		
39	408 Taxes other than income taxes	3,868	
40	409 State income tax expense		
41	410 Federal income tax expense		
42	Total Operating Revenue Deductions	96,784	101,797
43	Utility Operating Income		
44	421 Non-utility income		
45	426 Miscellaneous non-utility expense		
46	427 Interest expense		
47	Net Income	(- 12,250)	

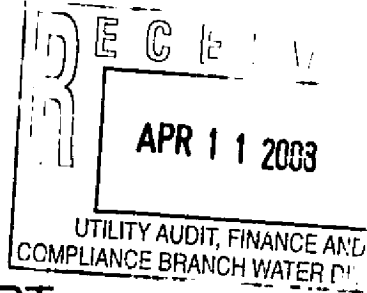
\* RRU CONTRACT FOR O&M \$36,480.

Received \_\_\_\_\_

Examined \_\_\_\_\_

CLASS D  
WATER UTILITIES

U# \_\_\_\_\_



2007  
ANNUAL REPORT  
OF

SERENO DEL MAR WATER COMPANY

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

P O BOX 457, FORESTVILLE, CA 95436-0457

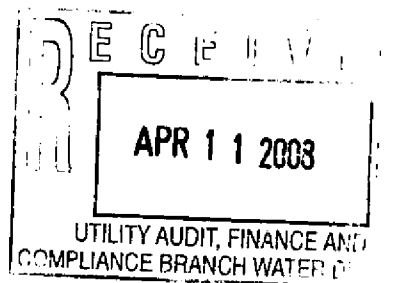
(OFFICIAL MAILING ADDRESS)

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)

**SERENO DEL MAR WATER COMPANY**  
**P O Box 457**  
**Forestville, CA 95436-0457**  
**Phone (770) 887-7735, Fax (707) 887-9445**



March 24, 2008

Kayode Kajopaiye  
California Public Utilities Commission  
505 Van Ness Avenue, Room 3105  
San Francisco, CA 94102-3298

re: Annual Report 2007

Dear Mr. Kajopaiye:

The attached Annual Report includes payments for the SRF loan # SRF 1997C307.

Yours very truly,

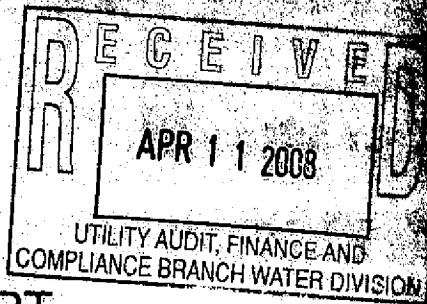
A handwritten signature in black ink, appearing to read "Hal Wood".

Hal Wood

enc.

Received \_\_\_\_\_  
Examined \_\_\_\_\_

CLASS D  
WATER UTILITIES



U# \_\_\_\_\_

2007  
ANNUAL REPORT  
OF

SERENO DEL MAR WATER COMPANY

\_\_\_\_\_

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

\_\_\_\_\_

P O BOX 457, FORESTVILLE, CA 95436-0457

(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](mailto: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)

**SERENO DEL MAR WATER COMPANY**

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

**P O BOX 457, FORESTVILLE, CA 95436-0457**

(Official mailing address)

**SERENO DEL MAR & GLEASON BEACH SUBDIVISIONS, SONOMA COUNTY**

(Service area-town and county)

Telephone Number:

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 1969 incorporated in the State of California

(B) Names, titles and addresses of principal officers:

2 If unincorporated provide the name and address of the owner(s) or the partners:

Hal Wood, President, PO Bbx 457, Forestville, CA 95436-0457

James Dunton, Vice President/Secretary, PO Box 457, Forestville,

3 Name, title, and telephone number of:

(A) One person listed above to receive correspondence: Hal Wood, Pres 707-887-7735 <sup>CA 95436-0457</sup>

(B) Person responsible for operations and services: James Dunton 707-869-9556

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? Management/Operations

Payment to Russian River Utility

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		
X		

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

<u>Hal Wood</u>	<u>III(T); I(D)</u>	<u>10696 (T)</u>	<u>14485 (D)</u>
<u>James Dunton</u>	<u>II(T); I(D)</u>	<u>13417 (T)</u>	<u>16230 (D)</u>
<u>Matt Peyer</u>	<u>II(T); I(D)</u>	<u>19331 (T)</u>	<u>16231 (D)</u>

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: 1) file an advice letter requesting Commission approval of that service; 2) provide information regarding non-tariffed goods/services in each companies Annual Report to the Commission.

Based on the information and facts required in D 00-07-018, D 03-04-028, and D 04-12-023, provide the following information by each individual non-tariffed good and service provided in 200 :

Row Number	Description of Non-Tariffed Goods/Services	Active or Passive	Total Revenue derived from Non-Tariffed Goods/Service (by account)	Revenue Account Number	Total Expenses incurred to provide Non-Tariffed Goods/Service (by account)	Expense Account Number	Advice Letter and/or Resolution Number approving 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 Registered Assets used in the provision of a Non-Tariffed Good/Service (by account)	Registered Asset Account Number

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



**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:

Name: California Bank & Trust  
 Address: 1331 Broadway, Sacramento -- PO Box 268, Sacramento 95812-0268  
 Phone Number: 916-443-5761  
 Account Number: 1030054509  
 Date Hired: 4-12-2001

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	110	6.75
1 inch	14	6.75
1 1/2 inch		
2 inch		
3 inch	44	6.75
4 inch		
6 inch		
Number of Flat Rate Customers	64	6.75
<b>Total</b>	<b>232</b>	

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ 39,883.37
Deposits during the year	18,864.98
Interest earned for calendar year	300.71
Withdrawals from this account	15,980.32
Balance at end of year	<u>43,068.74</u>

**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	20,000				20,000
3	303	Land					
4		Total non-depreciable plant					
5	DEPRECIABLE PLANT						
6	304	Structures	50,000				50,000
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment	5,000				5,000
10	320	Water treatment plant	150,000				150,000
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains	25,000				25,000
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	250,000				250,000

**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2007)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	661,082	201	Common Stock (Corporations only)	29,450
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	85,872
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	108,470	224	Long term debt	187,690
6	114	Water plant acquisition adjustments			Current Liabilities	
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	
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	249,600
14				272	Accumulated amortization of contributions	
15		<b>Total Assets</b>	<b>552,612</b>		<b>Total Equity and Liabilities</b>	<b>552,612</b>

**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	54,604				54,604
17	303	Land					
18	304	Structures	52,871				52,871
19	307	Wells	32,029				32,029
20	317	Other water source plant	4,020				4,020
21	311	Pumping equipment	17,153				17,153
22	320	Water treatment plant	158,900				158,900
23	330	Reservoirs tanks and sandpipes	184,157				184,157
24	331	Water mains	90,473				90,473
25	333	Services and meter installations	15,566	10,479			26,045
26	334	Meters	12,953				12,953
27	335	Hydrants	18,025				18,025
28	339	Other equipment	9,852				9,852
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		<b>Total water plant in service</b>	<b>650,603</b>				<b>661,082</b>

\* 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	105,175		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			
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	3,295		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			
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 20 07)**

Line				
1	Common - (Shares	\$	par)	List persons owning more than 5% of outstanding stock and number of shares owned by each:
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								
6								
7								
8	Totals							

**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	84,534
14	480 Other water revenue	
15	Total Operating Revenue	84,534
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	600
19	615 Purchased power	7,395
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	4,910
23	650 Contract work	59,512 *
24	660 Transportation expenses	
25	664 Other plant maintenance expense	564
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	6,056
31	681 Office supplies and expense	3,543
32	682 Professional services	3,849
33	684 Insurance	2,761
34	688 Regulatory commission expense	431
35	689 General expenses	
36	Total Operating Expenses	89,621
37	403 Depreciation expense	3,295
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	3,868
40	409 State income tax expense	
41	410 Federal income tax expense	
42	Total Operating Revenue Deductions	96,784
43	Utility Operating Income	
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	(- 12,250)

\* RRU CONTRACT FOR O&M \$36,480.

**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
Well	1	6	70	5	92,400
	4B	6	30	3	37,830
	6	6	30	5	34,250
	7	6	30	5	0
	8	6	30	5	0
	9	6	84	6	401,300

**OTHER** **Total 565,780**

Streams or springs location of diversion point	Flow in Priority right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
Carmet springs		0			4,068,000 *
Scotty Creek 3					500,000 *
Scotty Creek 4					2,116,970
				<b>Total</b>	<b>6,685,000</b>
Purchased water (unit)			Annual Quantity		
Supplier:			<b>Total 7,250,700</b>		

**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			4,256,000
Commercial			
Industrial			
Fire Protection			
Irrigation			
Other (specify)			
Carmet			1,981,000
<b>Total</b>			<b>6,237,000 *</b>

included 62 services in Carmet

**SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION** N/A

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		<b>Total</b>				

**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	

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

Size	Meters	Services
5/8 x 3/4-in		
3/4-in	154	154
1-in	14	14
-in		
-in		
Total	168	168

**SCHEDULE L - METER-TESTING DATA**

Number of meters tested during year	
1 Used, before repair...	0
2 Used, after repair .....	0
3 Fast, requiring refund ..	0
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	124			124			124	
Industrial/Commercial								
Irrigation								
Fire Protection (public)		23						23
Fire Protection (private)								
Other (specify)								
Total	124	23						

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 1/4 to 3 1/4	4"			
Concrete			Cast Iron					
Earth			Welded steel					
Wood	2	90,000	Standard screw					
Steel	1	212,000	Cement-asbestos		450	16,100	6" 16,550	
Other			Plastic	5,000	2,000		7,000	
Plastic	2	15,000	Other (specify)					
Stainless		4,800						
Total		31,800	Total	5,000	2,000	16,100	6" 23,550	

**DECLARATION**

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

I, the undersigned (officer, partner or owner) of Sereno Del Mar Water Company (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 07 through December 31, 20 07.

  
 Signed Hal Wood, President  
 Title 4-10-08  
 Date

## 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: California Bank & TRust  
 Address: P O Box 268, Sacramento, CA 95812-0268  
 Account Number: 1030054509  
 Date Opened: 12-2001

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	\$ 39,883.37
Deposits during the year	19,687.00
Interest earned for calendar year	298.64
Withdrawals from this account	16,800.27
Balance at end of year	43,068.74

4. Reason or Purpose of Withdrawal from this bank account:

To install water services and purchase emergency generator.