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Examined _____

CLASS D
WATER UTILITIES

U# _____

MAR 19 2008

2007
ANNUAL REPORT
OF

Timberland Water Co., Inc.

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

P.O. Box 1855 PennValley, CA 95946
(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)

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

Timberland Water Co. Inc.
(Name under which corporation, partnership or individual is doing business)
P.O. Box 1855, Penn Valley, CA 95946
(Official mailing address)
Tahoe City Placer Co.
(Service area-town and county)
Telephone Number: 530.588.3478 Fax Number: — Email Address: betsyprnully@aol.com

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

Sub Chapter "S" Corporation

- 1 If a corporation show:
(A) Date of organization 1993 incorporated in the State of California
(B) Names, titles and addresses of principal officers:
John Ballard, President, PO Box 1855, PennValley, CA 95946
- 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:
- 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
✓		7/07
✓		
✓		1957

11 List Name, Grade, and License Number of all Licensed Operators:
John Ballard D-1 24628

Excess Capacity and Non-Tariffed Services

NOTE: In D-00-07-018, D-00-04-026, and D-04-12-023, the CPUC set both 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 CPUC 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-00-07-018, D-00-04-026, and D-04-12-023, provide the following information by each water utility 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 number and Transition Number supporting 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 Registered Assets used in the provision of a Non-Tariffed Good/Service (by account)	Registered Asset Account Number
	N/A										

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: _____
 Address: _____
 Phone Number: N/A
 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	<u>N/A</u>	_____
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					
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					

N/A

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2007)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	288165	201	Common Stock (Corporations only)	26875
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	65955
3	104	Water plant purchased or sold		215	Retained earnings	85678
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	96272	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash	508	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	13893
14				272	Accumulated amortization of contributions	
15		Total Assets	192401		Total Equity and Liabilities	192401

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					
17	303	Land	3061				3061
18	304	Structures	3255	8229			11484
19	307	Wells	5493				5493
20	317	Other water source plant					
21	311	Pumping equipment	49934	9878			59812
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes	92690				92690
24	331	Water mains	60287				60287
25	333	Services and meter installations	7028				7028
26	334	Meters	8117	859			8976
27	335	Hydrants	3000				3000
28	339	Other equipment	4482	2826			7308
29	340	Office furniture and equipment	9732				9732
30	341	Transportation equipment	19294				19294
31		Total water plant in service	266373	21792			288165

* 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	88199		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	375		2.7%
35	(b) Charged to Account No. 403	7698		
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	8073		covered by this report \$
40	Deduct: Debits to reserves during year			Not Completed
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			Various
45	Balance in reserve at end of year	96272		
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	\$	par)	26875	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 - \$			

John Ballard 100%

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	xxxxxxxxxxxx
10	460 Unmetered water revenue	52990
11	462 Fire protection revenue	245
12	465 Irrigation revenue	
13	470 Metered water revenue	21724
14	480 Other water revenue	
15	Total Operating Revenue	74359
16	Operating revenue deductions	xxxxxxxxxxxx
17	Operating expenses	xxxxxxxxxxxx
18	610 Purchased water	
19	615 Purchased power	3491
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	1055
23	650 Contract work	22431
24	660 Transportation expenses	1987
25	664 Other plant maintenance expense	
26	670 Office salaries	5000
27	671 Management salaries	24000
28	674 Employee pensions and benefits	
29	678 Uncollectible accounts expense	
30	678 Office services and rentals	214
31	681 Office supplies and expense	3930
32	682 Professional services	625
33	684 Insurance	1844
34	688 Regulatory commission expense	
35	689 General expenses	1002
36	Total Operating Expenses	65579
37	403 Depreciation expense	8073
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	1690
40	409 State income tax expense	800
41	410 Federal income tax expense	
42	Total Operating Revenue Deductions	10563
43	Utility Operating Income	
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	(1983)

(3)

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
800 Sugar Pine	1	4	220	240	Unknown

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)					
Supplier:				Annual Quantity	

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	15		
Commercial			
Industrial			
Fire Protection			
Irrigation			
Other (specify) School	1		
Total	16		3837336 Gal.

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	1	5000		5000
50	671	Management salaries	1	24000		24000
51		Total	2	29000		29000

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	8	
1-in	5	
2-in	2	
3-in	1	
Total	16	

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1	Used, before repair... N/A
2	Used, after repair N/A
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	15	118	133				15	118
Industrial/Commercial								
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify) school	1		1				1	
Total	16	118	134				16	134

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)

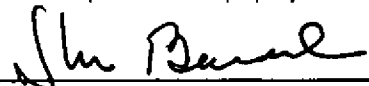
Description	No.	Combined capacity in gallons	Description	2" and under				6"				Totals
				2 1/4 to 3 1/4	4"	Other sizes (specify)	Other sizes (specify)					
Concrete			Cast Iron									
Earth			Welded steel			600	3413				4013	
Wood			Standard screw	4878							4878	
Steel	1	30000	Cement-asbestos									
Other			Plastic	1963							1963	
			Other (specify) PVC		243		160				403	
Total			Total	6841	243		3803				11487	

DECLARATION

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

I, the undersigned (officer, partner or owner) of Timberland Water Co., 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, 2007 through December 31, 2007.


 Signed PRESIDENT
 Title 3-17-08
 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: _____
Address: _____
Account Number: _____
Date Opened: _____

N/A

2. Facilities Fees collected for new connections during the calendar year:

A. Commerical

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

N/A

B. Residential

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

N/A

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	_____

N/A

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

