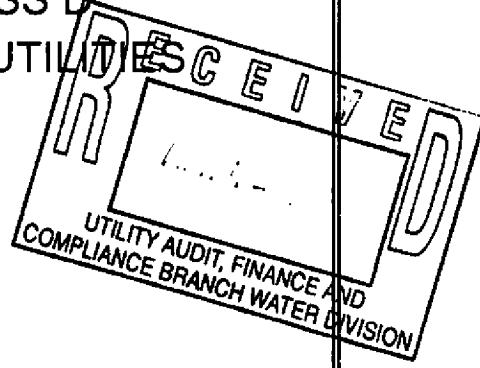


JV

Received _____
Examined _____

CLASS D  
WATER UTILITIES



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

2006  
ANNUAL REPORT  
OF

Warring Water Service Inc

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

P.O. Box 189 Piru, CA 93040  
(OFFICIAL MAILING ADDRESS) ZIP

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2006

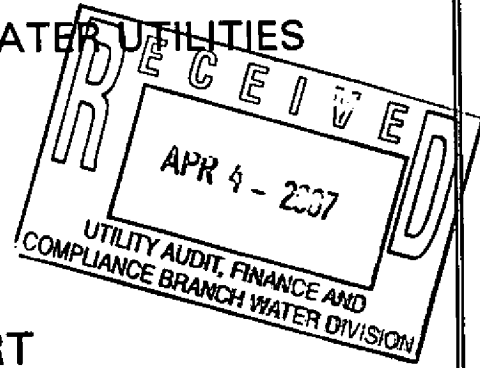
REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2007  
(FILE TWO COPIES IF THREE RECEIVED)

C

JV

Received	_____
Examined	_____

CLASS D  
WATER UTILITIES



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

**2006  
ANNUAL REPORT  
OF**

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**WARRING WATER SERVICE INC.**

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

**P.O. BOX 189 PIRU, CA 93040**

(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  
ATTENTION: KAYODE KAJOPAIYE  
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 or by the use of a typewriter. Computer generated report forms may be substituted.
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 refer 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.

Warring Water Service, Inc. 2006

		2006	2005
<b>Account Number</b>	<b>Operating Revenue</b>		
470	Metered	\$ 352,465	\$ 295,104
460	Unmetered	\$ -	\$ -
465	Irrigation	\$ 53,147	\$ 47,394
462-480	Private Fire Protection	\$ -	\$ -
	<b>Total Revenue</b>	<b>\$ 405,612</b>	<b>\$ 342,498</b>
	<b>Operating Expenses</b>		
610	Purchased Water	NA	NA
615	Purchased Power	\$ 36,869	\$ 34,995
	Pump Taxes	\$ 16,689	\$ 22,085
	Purchased Chemicals	\$ 3,349	\$ 3,113
618	Other Vol. Related exp.		\$ -
630	Employee Labor	\$ 54,465	\$ 52,000
640	Materials	\$ 14,051	\$ 7,799
650	Contract Work	\$ 18,965	\$ 8,094
	Water Testing	\$ 4,051	\$ 1,792
660	Transportation Expense	\$ 17,726	\$ 21,050
664	Other Plant Maintenance		\$ -
670	Office Salaries	\$ 12,200	\$ 13,000
671	Management Salaries	\$ 17,500	\$ 13,000
674	Employee Pensions and Benefits	\$ 29,280	\$ 27,116
676	Uncollectables		\$ -
678	Office Service and Rentals	\$ 5,153	\$ 6,594
681	Office Supplies and Expense	\$ 2,959	\$ 6,209
682	Professional Services	\$ 4,518	\$ 5,963
684	Insurance	\$ 9,935	\$ 10,737
688	Regulatory Expense	\$ 768	\$ -
689	General Expense	\$ 7,217	\$ 5,653
	<b>Subtotal</b>	<b>\$ 255,694</b>	<b>\$ 239,200</b>
403	Depreciation Expense	\$ 41,466	\$ 40,277
	Ad Valorem Taxes	\$ 9,178	\$ 7,840
	Payroll taxes	\$ 3,883	\$ 4,326
408	Taxes other than income	\$ 6,850	\$ 6,534
409	State Income Tax	\$ 9,133	\$ 831
410	Federal Income Tax	\$ 19,312	NA
	Interest Expense	\$ 41,172	
	<b>Total Deductions</b>	<b>\$ 386,688</b>	<b>\$ 299,008</b>
	<b>Net Revenue</b>	<b>\$ 18,925</b>	<b>\$ 43,490</b>
	<b>Rate Base</b>		
	Average Plant	\$ 1,766,619	\$ 1,736,822
	Average Depreciation Reserve	\$ 417,416	\$ 367,136
	Net Plant	\$ 1,349,203	\$ 1,369,686
	Less: Advances	\$ 423,247	\$ 435,296
	Less: Contributions	\$ -	\$ -
	Plus: Construction Work in Progress	\$ -	\$ -
	Plus: Working Cash	\$ 21,308	\$ 19,933
	Plus: Material & Supplies	\$ 735	\$ 735
	<b>Rate Base</b>	<b>\$ 947,999</b>	<b>\$ 955,058</b>
	<b>ROR=Net Rev/Rate Base</b>	<b>2.0%</b>	<b>4.6%</b>

# CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

**WARRING WATER SERVICE INC**

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

**P.O. BOX 189 PIRU, CA 93040**

(Official mailing address)

**PIRU, CA**

(Service area-town and county)

## GENERAL INFORMATION

**RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES**

- 1 If a corporation show:  
 (A) Date of organization 5/20/1952 incorporated in the State of CA  
 (B) Names, titles and addresses of principal officers:
  
- 2 If unincorporated give the name and address of owner or of each partner:
  
- 3 Name 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
X		5-Nov
X		
X		

**SPECIAL INSTRUCTIONS (over)**

## **SPECIAL INSTRUCTIONS**

- 1 Beginning of year balances must agree with end of year balances shown in report for previous year.  
Attach a supplementary statement to explain any differences.
- 2 Attach a supplementary statement to explain adjustments in Schedule B - Water Plant in Service.
- 3 Complete all schedules, using the words "None" or "Not applicable" if appropriate.
- 4 Report must be prepared legibly in ink or by typewriter.

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
2006

NAME OF UTILITY WARRING WATER

PHONE 805-524-3267

PERSON RESPONSIBLE FOR THIS REPORT Frank Brommenschenkel

(Prepared from Information in the 2005 Annual Report)

	1/1/2006	12/31/2006	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant	\$ -	\$ -	\$ -
2 Land and Land Rights	\$ 3,970	\$ 3,970	\$ 3,970
3 Depreciable Plant	\$ 1,723,560	\$ 1,766,619	\$ 1,745,089
4     Gross Plant in Service	\$ 1,727,530	\$ 1,770,589	\$ 1,749,059
5     Less: Accumulated Depreciation	\$ 375,900	\$ 417,416	\$ 396,658
6     Net Water Plant in Service	\$ 1,351,630	\$ 1,353,173	\$ 1,352,401
7 Water Plant Held for Future Use	NA	NA	NA
8 Construction Work in Progress	\$ -	\$ -	\$ -
9 Materials and Supplies	\$ 735	\$ 735	\$ 735
10 Less: Advances for Construction	\$ 435,296	\$ 423,247	\$ 429,272
11 Less: Contribution in Aid of Construction	\$ -	\$ -	\$ -
12 Less: Accumulated Deferred Income and Investment Tax Credits	\$ -	\$ -	\$ -
13 Net Plant Investment	<u>\$ 917,069</u>	<u>\$ 930,661</u>	<u>\$ 923,865</u>
<b>CAPITALIZATION</b>			
14 Common Stock	\$ 138,100	\$ 138,100	\$ 138,100
15 Proprietary Capital (Individual or Partnership)	NA	NA	NA
16 Paid-in Capital	\$ 232,468	\$ 238,724	\$ 235,596
17 Retained Earnings	\$ 46,074	\$ 64,999	\$ 55,536
18     Common Stock and Equity (Lines 14 through 17)	\$ 416,642	\$ 441,823	\$ 429,233
19 Preferred Stock	\$ -	\$ -	\$ -
20 Long-Term Debt	\$ 879,404	\$ 836,048	\$ 857,726
21 Notes Payable	\$ 82,766	\$ 111,696	\$ 97,231
22 Total Capitalization (Lines 18 through 21)	<u>\$ 1,378,812</u>	<u>\$ 1,389,568</u>	<u>\$ 1,384,190</u>

(Revised 2/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES

2006  
(continued)

NAME OF UTILITY WARRING WATER SERVICE INC PHONE 805-524-3267

		Annual Amount
<b>INCOME STATEMENT</b>		
23	Unmetered Water Revenue	\$ -
24	Fire Protection Revenue	\$ -
25	Irrigation Revenue	\$ 53,147
26	Metered Water Revenue	\$ 352,465
27	Total Operating Revenue	\$ 405,612
28	<u>Operating Expenses</u>	\$ 255,694
29	Depreciation Expense (Composite Rate _____)	\$ 25,448
30	Amortization and Property Losses	\$ 16,018
31	Property Taxes	\$ 9,178
32	Taxes Other Than Income Taxes	\$ 10,733
33	Total Operating Revenue Deduction Before Taxes	\$ 317,071
34	California Corp. Franchise Tax	\$ 9,133
35	Federal Corporate Income Tax	\$ 19,312
36	Total Operating Revenue Deduction After Taxes	\$ 345,516
37	Net Operating Income (Loss) - California Water Operations	\$ 60,097
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	
39	Income Available for Fixed Charges	\$ 60,097
40	Interest Expense	\$ 41,172
41	Net Income (Loss) Before Dividends	\$ 18,925
42	Preferred Stock Dividends	\$ -
43	Net Income (Loss) Available for Common Stock	\$ 18,925

<b>OTHER DATA</b>		
44	Refunds of Advances for Construction	\$ 12,049
45	Total Payroll Charged to Operating Expenses	\$ 84,165
46	Purchased Water	NA
47	Power	\$ 36,869

<u>Active Service Connections</u>		(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections		505	532	519
49	Flat Rate Service Connections				
50	Total Active Service Connections		467	484	476



**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2005)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	\$ 1,766,619	201	Common Stock (Corporations only)	\$ 138,100
2	103	Water plant held for future use	0	211	Other paid-in capital (Corporations only)	\$ 238,724
3	104	Water plant purchased or sold	0	215	Retained earnings	\$ 64,999
4	105	Water plant construction work in progress	0	218	Proprietary capital	\$ -
5	108	Accumulated depreciation of water plant	\$ (417,416)	224	Long term debt	\$ 836,048
6	114	Water plant acquisition adjustments			Current Liabilities	\$ 111,696
7	124	Other investments	\$ 500	252	Advances for construction	\$ -
8	131	Cash	\$ 18,781	253	Other deferred credits	\$ 1,880
9	141	Accounts receivable - customers	\$ 31,290	255	Accumulated deferred investment tax credits	\$ -
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	\$ -
11	151	Materials and supplies	\$ 735	233	Customer Deposits	\$ 9,300
12	174	Other current assets	\$ 238	283	Accumulated deferred income taxes - other	\$ -
13	180	Deferred charges		271	Contributions in aid of construction	\$ -
14				272	Accumulated amortization of contributions	\$ -
15		<b>Total Assets</b>	<b>\$ 1,400,747</b>		<b>Total Equity and Liabilities</b>	<b>\$ 1,400,747</b>

**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	\$ 3,970	\$ -			\$ 3,970
18	304	Structures	\$ 16,203	\$ -			\$ 16,203
19	307	Wells	\$228,848	\$ -			\$228,848
20	317	Other water source plant		\$ -			
21	311	Pumping equipment	\$108,550	\$ -			\$108,550
22	320	Water treatment plant	\$ 12,429	\$ -			\$ 12,429
23	330	Reservoirs tanks and sandpipes	\$487,966	\$ 16,016			\$503,982
24	331	Water mains	\$739,967	\$ 19,395			\$759,362
25	333	Services and meter installations	\$ 38,064	\$ -			\$ 38,064
26	334	Meters	\$ 35,886	\$ 110			\$ 35,996
27	335	Hydrants	\$ 17,073	\$ -			\$ 17,073
28	339	Other equipment	\$ 14,756	\$ 0			\$ 14,756
29	340	Office furniture and equipment	\$ 20,319	\$ 1,368			\$ 21,687
30	341	Transportation equipment	\$ 3,500	\$ 2,200			\$ 5,700
31		<b>Total water plant in service</b>	<b>\$ 1,727,531</b>	<b>\$ 39,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,766,619</b>

\* Debt 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	\$ 375,950		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	\$ 25,448		
35	(b) Charged to Account No. 272	\$ 16,018		
36	(c) Charged to clearing accounts			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	\$ 41,466		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	\$ 417,416		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2005)**

Line	Common - (Shares, \$ par)	138,100	List persons owning more than 5% of outstanding stock
1	Common - (Shares, \$ par)	138,100	List persons owning more than 5% of outstanding stock
2	Preferred - (Shares, \$ par)		and number of shares owned by each:
3	Dividends - Common Rate - \$		JILL GIDDINGS 690.5
4	- Preferred Rate - \$		Deloras Pace 690.5

**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	SBC LOAN	1994	2024	\$ 580,000	\$ 408,252	4%		\$ 31,869.53
6	Santa Barbara Bank & Trust	2005	2015	\$ 163,000	\$ 148,998	6%		\$ 9,302.47
7								
8	Totals							\$ 41,172.00

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	XXXXXXXXXX
10	480 Unmetered water revenue	
11	482 Fire protection revenue	\$ -
12	465 Irrigation revenue	\$ 53,147
13	470 Metered water revenue	\$ 352,465
14	480 Other water revenue	\$ -
15	Total Operating Revenue	\$ 405,612
16	Operating revenue deductions	XXXXXXXXXX
17	Operating expenses	XXXXXXXXXX
18	610 Purchased water	NA
19	615 Power	\$ 36,869
20	618 Other volume related expenses	\$ 20,038
21	630 Employee labor	\$ 54,465
22	640 Materials	\$ 14,051
23	650 Contract work	\$ 23,016
24	660 Transportation expenses	\$ 17,726
25	664 Other plant maintenance expense	\$ -
26	670 Office salaries	\$ 12,200
27	671 Management salaries	\$ 17,500
28	674 Employee pensions and benefits	\$ 29,280
29	678 Uncollectible accounts expense	\$ -
30	678 Office services and rentals	\$ 5,153
31	681 Office supplies and expense	\$ 2,959
32	682 Professional services	\$ 4,518
33	684 Insurance	\$ 9,935
34	688 Regulatory commission expense	\$ 768
35	689 General expenses	\$ 7,217
36	Total Operating Expenses	\$ 255,694
37	403 Depreciation expense	\$ 41,468
38	407 Amortization expense	
39	408 Taxes other than income taxes	\$ 19,911
40	409 State corporate income tax expense	\$ 9,133
41	410 Federal corporate income tax expense	\$ 19,312
42	Total Operating Revenue Deductions	\$ 345,516
43	Utility Operating Income	
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	\$ 41,172
47	Net Income	\$ 16,925

**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
3880 CAMULOS	1	18	129	400	48.91
3880 CAMULOS	2	18	129	470	
3880 CAMULOS	4	20	140	1500	599.23
				Total	648.14

18330.08

9302.47

**OTHER**

Streams or springs location of diversion point	Flow in		(Unit) Diversions		Annual quantities diverted (Unit)
	Claim	Capacity	Ma	Min	
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, CF
Residential & business			28,081,200
Industrial			
Public authorities			
Irrigation			11,018,200
Other (specify)			
Total			37,099,400

851.685  
85168.5

**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	2	\$ 54,465.00		\$ 54,465.00
49	670	Office salaries	1	\$ 12,200.00		\$ 12,200.00
50	671	Management salaries	1	\$ 17,500.00		\$ 17,500.00
51		Total	4	\$ 84,165.00		\$ 84,165.00

**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

Balance beginning of year	\$ 435,296
Additions during year	
Subtotal - Beginning balance plus additions during year	\$ 435,296
Refunds	\$ 12,049
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	\$ 423,247

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

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

**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	478		478	31		31	509	
Industrial	3		3				3	
Other (specify)								
Irrigation	3		3				3	
Subtotal								
Fire protection (Hydrants)								
Total	484		484	31		31	515	

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			Cast iron					
Earth			Welded steel					
Wood			Standard screw					
Steel	1	1.1 MG	Cement-asbestos		6230		9050	16325
Other			Plastic	2669		11643		
			Other (specify)					
			10" PVC					13900
			12" PVC					5171
Total	1	1.1 MG	Total					

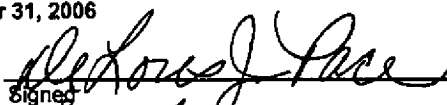
**DECLARATION**

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

I, the undersigned (officer, partner or owner) of **Warring Water Service, Inc.** (Name of utility), **Deloras Pace, Secretary** under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers 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 period

From and including **January 1, 2006**, to and including **December 31, 2006**

*JRW-file*

  
 Signed \_\_\_\_\_  
 Title **Secretary**  
 Date **3-30-07**