

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

May 24, 2013

Hillview Water Company  
P.O. Box 2269  
Oakhurst, CA 93644

We have compiled the balance sheets of Hillview Water Company, Inc. as of December 31, 2012 and 2011, and the related income statement for the year ended December 31, 2012, included in the accompanying prescribed form. We have also compiled the supplementary information included on pages 11 (Schedule A-1) through 20 (Schedule A-17), pages 22 (Schedule B-1) through 26 (Schedule C-2), page 6 (Balance Sheet and Capitalization Data), page 7 (Income Statement and Other Data), page 8 (Excess Capacity and Non-Tariffed Services), and pages 31 through 33 (For All Water Companies Safe Drinking Water Bond Act / State Revolving Fund Data and Facilities Fees Data). We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with the form prescribed by the Public Utilities Commission of the State of California.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Public Utilities Commission of the State of California and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

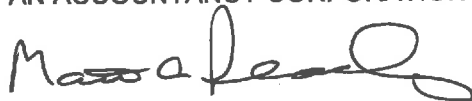
Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

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 accounting principles generally accepted in the United States of America.

The supplementary information contained on page 5 (General Information), page 26 (Schedule C-3) through page 30, page 34, and Supplementary 27a of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

We are not independent with respect to Hillview Water Company.

PEASLEY, ALDINGER & O'BYMACHOW  
AN ACCOUNTANCY CORPORATION



Matt A. Peasley  
Certified Public Accountant