

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

2016
ANNUAL REPORT
OF

Cazadero Water Company, Inc.

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

P.O. Box 423

Cazadero, CA 95421

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2016

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
Instructions	2
General Information	3
Excess Capacity and Non-Tariffed Services	4
Safe Drinking Water Bond Act/State Revolving Fund Data	5-6
Schedule A - Balance Sheet	7
Schedule B - Water Plant In Service	8
Schedule C - Reserve for Depreciation of Utility Plant	8
Schedule D - Capital Stock Outstanding (As of December 31, 2016)	9
Schedule E - Long-Term Debts	10
Schedule F - Income Statement	11
Schedule G - Source of Supply and Water Developed Wells	12
Schedule H - Water Delivered to Metered Customers	12
Schedule I - Employees and Their Compensation	12
Schedule J - Advances for Construction	13
Schedule K - Total Meters and Services (Active and Inactive)	13
Schedule L - Meter Testing Data	13
Schedule M - Service Connections at End of Year	13
Schedule N - Storage Facilities	13
Schedule O - Footages of Pipe (Excluding Service Pipes)	13
Facility Fees Data	14
Declaration	15

INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2017**, with:

CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION
ATTN: BRUCE DEBERRY
505 VAN NESS AVENUE, ROOM 3106
SAN FRANCISCO, CALIFORNIA 94102-3298
bmd@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 Page12, must be signed by an authorized 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. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2016, through December 31, 2016. Fiscal year reports will not be accepted.

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

Cazadero Water Company, Inc.
(Name under which corporation, partnership or individual is doing business)

P.O. Box 423, Cazadero, CA 95421
(Official mailing address)

Cazadero, Sonoma County
(Service Area - Town and County)

Telephone Number: 707-632-5225 **Fax Number:** 707-632-5225

Email Address: admin@cazaderowater.com

GENERAL INFORMATION
(Attach a supplementary statement, if necessary)
RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

1. If a corporation show:
(A) Date of organization 3/12/2008 incorporated in the State of CA

(B) Names, titles and addresses of principal officers:
James M. Berry, President, Treasurer, and Director, P.O. Box 94, Cazadero, CA 95421
Loren M. Berry, Vice President, Secretary, and Director, P.O. Box 106, Cazadero, CA 95421

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

3. Name, title, and telephone number of:
(A) One person listed above to receive correspondence: James M. Berry, President, 707-652-5280
(B) Person responsible for operations and services: James M. Berry, President, 707-652-5280

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? 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? N/A

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		Monthly
X		11/22/10
N/A		
N/A		

11. List Name, Grade, and License Number of all Licensed Operators:
James M. Berry D1 #30582 Expires 6/1/2018
James M. Berry T1 #28152 Expires 1/1/2019

12. This annual report was prepared by:
Name of firm or consultant: Prepared in part by: Pisenti & Brinker LLP
Address of firm or consultant: 3562 Round Barn Circle, Suite 300
Santa Rosa, CA 95403
Phone Number of firm or consultant: 707-542-3343

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 company's Annual Report to the Commission.

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed goods and services provided in calendar year 2016:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row No.	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)	Expense Account Number	Advice Letter and/or Resolution Number Approving Non-Tariffed Goods/ Services	Total Income Tax Liability Incurred Because of Non-Tariffed Goods/ Services (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-Tariffed Goods/ Services (by Account)	Regulated Asset Account Number
Not Applicable											

**FOR ALL 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 (SRF) loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent:

NOT APPLICABLE

Name: None
 Address: _____
 Phone Number: _____
 Account Number: _____
 Date Hired: _____

2. Total surcharge collected from customers during the 12 month reporting period:

\$ None

Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
5/8 X 3/4 inch		
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	\$ <u>None</u>
Deposits during the year	<u>None</u>
Interest earned for calendar year	<u>None</u>
Withdrawals from this account	<u>None</u>
Balance at end of year	<u>None</u>

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

**FOR ALL WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (Continued)**

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		Not Applicable			
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 Standpipes					
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					

The accompanying financial information was not subjected to an audit, review, or compilation engagement and, we do not express an opinion, a conclusion, nor provide any assurance on it.

SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2016)			
Line	Acct.	Assets	Balance
1	101	Water Plant in Service (Excluding SDWBA/SRF)	\$184,955
2	101.1	Water Plant in Service - SDWBA/SRF	-
3	101.2	Water Plant in Service - Prop 50	-
4	103	Water Plant Held for Future Use	-
5	104	Water Plant Purchased or Sold	-
6	105	Water Plant Construction Work in Progress	-
7	100.3	Construction Work in Progress (Prop 50)	-
8	108	Accumulated Depreciation of Water Plant	(56,679)
9	108.1	Accumulated Amortization of SDWBA/SRF Loan	-
10	114	Water Plant Acquisition Adjustments	-
11	121	Non-water Utility Property and Other Assets	-
12	121.3	Cash - Miscellaneous Special Deposits (Prop 50)	-
13	122	Accumulated Depreciation of Non-water Utility Property	-
14	124	Other Investments	-
15	131	Cash	4,912
16	131.3	Cash - Miscellaneous Special Deposits (Prop 50)	-
17	132	Special Deposits	-
18	141	Accounts Receivable - Customers	27,119
19	142	Receivables from Associated Companies	9,251
20	143	Accumulated Provision for Uncollectible Accounts	-
21	151	Materials and Supplies	1,157
22	174	Other Current Assets	-
23	180	Deferred Charges	-
24			
25			
26		Total Assets	\$170,715
Line	Acct.	Equity and Liabilities	Balance
27	201	Common Stock (for corporations only)	\$28,000
28	204	Preferred Stock (for corporations only)	-
29	211	Other Paid-in Capital (for corporations only)	62,200
30	215	Retained earnings (for corporations only)	72,578
31	218	Proprietary Capital (for proprietorships and partnerships only)	-
32	224	Long-Term Debt	-
33	231	Accounts Payable	-
34	232	Short-Term Notes Payable	-
35	233	Customer Deposits	-
36	236	Taxes Accrued	-
37	237	Interest Accrued	-
38	241	Other Current Liabilities	7,937
39	250	Reserve for Depreciation of Utility Plant (Prop 50)	-
40	252	Advances for Construction	-
41	253	Other Credits	-
42	255	Accumulated Deferred Investment Tax Credits	-
43	266.0	Contributions - Publicly Grant-Funded Plant (Prop 50)	-
44	266.1	Accumulated Amortization of Contributions - Publicly Grant-Funded Plant (Prop 50)	-
45	271	Contributions in Aid of Construction	-
46	272	Accumulated Amortization of Contributions	-
47	282	Accumulated Deferred Income Taxes - ACRS Depreciation	-
48	283	Accumulated Deferred Income Taxes - Other	-
49			
50			
51		Total Equity and Liabilities	\$170,715

The accompanying financial information was not subjected to an audit, review, or compilation engagement and, we do not express an opinion, a conclusion, nor provide any assurance on it.

SCHEDULE B - WATER PLANT IN SERVICE (AS OF DECEMBER 31, 2016)

Line	Acct	Title of Account	Balance Beg of Year	Plant Additions During year	Plant Retirements During year	Other Debits or (Credits)	Balance End of year
1	301	Intangible Plant	\$ -	\$ -	\$ -	\$ -	\$ -
2	303	Land	2,675	-	-	-	2,675
3	304	Structures	17,651	-	-	-	17,651
4	307	Wells	-	-	-	-	-
5	311	Pumping Equipment	20,274	-	-	-	20,274
6	317	Other Water Source Plant	26,936	-	-	-	26,936
7	320	Water Treatment Plant	-	-	-	-	-
8	330	Reservoirs, Tanks and Standpipes	73,820	-	-	-	73,820
9	331	Water Mains	19,128	-	-	-	19,128
10	333	Services and Meter Installations	5,887	-	-	-	5,887
11	334	Meters	5,771	-	-	-	5,771
12	335	Hydrants	3,951	-	-	-	3,951
13	339	Other Equipment	1,260	-	-	-	1,260
14	340	Office Furniture and Equipment	7,463	-	-	-	7,463
15	341	Transportation Equipment	139	-	-	-	139
16		Total water plant in service	\$ 184,955	\$ -	\$ -	\$ -	\$ 184,955

* Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT (AS OF DECEMBER 31, 2016)

Line	Item	Account 108 Water Plant	Account 108.1 SDWBA/SRF Loans	Water Plant Funded by Prop 50 (For information only)	
1	Balance in reserves at beginning of year	\$55,014			A. Method used to compute
2	Add: Credits to reserves during year	-			depreciation expense
3	(a) Charged to Account No. 272	-			(Acct. 403) and rate.
4	(b) Charged to Account No. 403	1,665			.9% per PUC letter 03/06/1987
5	(c) Charged to Account No. 407	-			B. Amount of depreciation expense
6	(d) Salvage recovered	-			or to be claimed on utility property
7	(e) All other credits	-			in your federal income tax return
8	Total credits	1,665			for the year covered by this
9	Deduct: Debits to reserves during year	-			report \$ 3,886
10	(a) Book cost of property retired	-			
11	(b) Cost of removal	-			C. State method used to compute
12	(c) All other debits	-			tax depreciation.
13	Total debits	-			200% declining balance
14	Balance in reserve at end of year	56,679			
15	(1) Explanation of all other credits				
16	(2) Explanation of all other debits				

The accompanying financial information was not subjected to an audit, review, or compilation engagement and, we do not express an opinion, a conclusion, nor provide any assurance on it.

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2016)

Line	Description	Shareholder Name	Number of Shares	Par Value
1	Common Stocks	James M. Berry	100	\$ 140
2	Common Stocks	Loren M. Berry	100	140
3	Common Stocks			
4	Common Stocks			
5	Common Stocks			
6	Common Stocks			
7	Common Stocks			
8	Common Stocks			
9	Common Stocks			
10	Common Stocks			
11	Common Stocks			
12	Common Stocks			
13	Common Stocks			
14	Common Stocks			
15	Common Stocks			
16	Total - Common Stocks		200	\$ 280
17	Preferred Stocks			
18	Preferred Stocks			
19	Preferred Stocks			
20	Preferred Stocks			
21	Preferred Stocks			
22	Preferred Stocks			
23	Preferred Stocks			
24	Preferred Stocks			
25	Preferred Stocks			
26	Preferred Stocks			
27	Preferred Stocks			
28	Preferred Stocks			
29	Preferred Stocks			
30	Preferred Stocks			
31	Preferred Stocks			
32	Total - Preferred Stocks			
33	Total annual dividends declared and/or paid to common stockholders			\$ 0
34	Percentage of total annual dividend to common stockholders as a percentage of total net income (%)			0.00%
35	Total annual dividends declared and/or paid to preferred stock shareholders			\$
36	Percentage of total annual dividend to preferred stockholders as a percentage of total net income (%)			

The accompanying financial information was not subjected to an audit, review, or compilation engagement and, we do not express an opinion, a conclusion, nor provide any assurance on it.

SCHEDULE E - LONG-TERM DEBTS

Line	Lender Name	CPUC Order No.	Class	Date of Issuance	Date of Maturity	Principal Amount Authorized	Interest Rate (%)	Accrued Interest for Current Year	Interest Paid for Current Year	Outstanding Balance as of 12/31/2016
1										
2		NOT APPLICABLE								
3										
4										
5										
6										
7										
8										
9										
10										
11	Total									

Note: Please use duplicate page(s) to meet your company's needs if additional lines are needed.

SCHEDULE F - INCOME STATEMENT

Line	Acct.	Description	Balance
1		Operating Revenues:	
2	460	Unmetered Water Revenue	\$ -
3	462	Fire Protection Revenue	-
4	465	Irrigation Revenue	-
5	470	Metered Water Revenue	19,612
6	475	Approved Total Surcharge Revenue(s)	-
7	480	Other water revenue	55,654
8		Total Revenue Received	75,266
9		Less: Revenue Deductions	-
10		SDWBA/SRF Surcharge Revenue	-
11		Total Operating Revenue	75,266
12		Operating Expenses:	
13	610	Purchased Water	-
14	615	Power	4,143
15	618	Other Volume Related Expenses	-
16	630	Employee Labor	18,755
17	640	Materials	-
18	650	Contract Work	-
19	660	Transportation Expense	7,256
20	664	Other Plant Maintenance Expenses	1,848
21	670	Office Salaries	1,464
22	671	Management Salaries	-
23	674	Employee Pensions and Benefits	-
24	676	Uncollectible Accounts Expense	-
25	678	Office Services and Rentals	-
26	681	Office Supplies and Expense	2,895
27	682	Professional Services	14,189
28	684	Insurance	3,208
29	688	Regulatory Commission Expense	-
30	689	General Expense	10,627
31		Total Operating Expenses	64,385
32	403	Depreciation Expense	1,665
33	407	SDWBA/SRF Loan Amortization Expense	-
34	408	Taxes Other Than Income Taxes	1,581
35	409	State Corporate Income Tax Expense	800
36	410	Federal Corporate Income Tax Expense	-
37		Total Operating Revenue Deductions	68,431
38		Utility Operating Income	6,835
39	421	Non-utility Income	-
40	426	Miscellaneous Non-utility Expense	-
41	427	Interest Expense	-
42		Net Income	\$6,835

The accompanying financial information was not subjected to an audit, review, or compilation engagement and, we do not express an opinion, a conclusion, nor provide any assurance on it.

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
Orchard	1	12	30	40	Unknown
Orchard	1	8	30	40	Unknown
Hillside	1	8	70	10	Unknown
Hillside	1	8	150	10	Unknown

OTHER

Streams or Springs Location of Diversion Point	Flow in Priority Right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
	Not Applicable				
Purchased water (unit)				Annual Quantity	
Supplier:					

SCHEDULE H - WATER DELIVERED TO METERED CUSTOMERS
(If figures are available) (specify unit)

Classification of Service	Month of Year		Total for Year
	Maximum	Minimum	
Residential			855,315 cu ft
Commercial			48,283 cu ft
Industrial			-
Fire Protection			6,796 cu ft
Irrigation			-
Other - School & Camp			131,661 cu ft
Total			1,042,055 cu ft

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
1	630	Employee Labor	2	\$ 18,755	\$ -	\$ 18,755
2	670	Office salaries	1	1,464	-	1,464
3	671	Management salaries	-	-	-	-
4		Total	3	\$ 20,219	\$ -	\$ 20,219

SCHEDULE J - ADVANCES FOR CONSTRUCTION	
Balance beginning of year	N/A
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	152	152
1-in	1	1
-in	1	1
-in	-	4
Total	154	158

SCHEDULE L - METER-TESTING DATA	
Number of meters tested during year	N/A
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	142	1	143	6	-	6	148	1	
Industrial/Commercial	1	1	2	-	-	-	1	1	
Irrigation	-	-	-	-	-	-	-	-	
Fire Protection (public)	2	-	2	-	-	-	2	-	
Fire Protection (private)	-	-	-	-	-	-	-	-	
Other (specify)	5	-	5	-	-	-	5	-	
Total	150	2	152	6	-	6	156	2	

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	2 1/4 to 3 1/4	4"	Other sizes (specify)	Totals
Concrete	3	160,000	Cast Iron	-	-	-	-	-
Earth	-	-	Welded steel	-	-	-	-	-
Wood	-	-	Standard screw	32,008	-	-	-	32,008
Steel	-	-	Cement-asbestos	-	-	-	-	-
Other	1	5,400	Plastic	-	-	-	-	-
			Other (specify)	-	-	-	-	-
Total	4	165,400	Total	32,008	-	-	-	32,008

FACILITY FEES DATA

Please provide the following information relating to Facility Fees collected for the calendar year 2016, pursuant to Resolution No. W-4110.

1. Trust Account Information:

NOT APPLICABLE

Bank Name: _____
 Address: _____
 Account Number: _____
 Date Opened: _____

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

A. Commercial

<u>NAME</u>	<u>AMOUNT</u>
N/A	\$
_____	\$
_____	\$
_____	\$
_____	\$

B. Residential

<u>NAME</u>	<u>AMOUNT</u>
N/A	\$
_____	\$
_____	\$
_____	\$
_____	\$

3. Summary of the bank account activities showing:

	<u>AMOUNT</u>
Balance at beginning of year	\$ N/A
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:

N/A

DECLARATION

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned Officer
Officer, Partner, or Owner (Please Print)
of Cazadero Water Company, 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, 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 of January 1, 2016, through December 31, 2016.

President
Title (Please Print)
(707) 632-5225
Telephone Number

James M. Berry
Signature
27 March 2017
Date