

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

2016
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
(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

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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)

SERENO DEL MAR WATER COMPANY
(Name under which corporation, partnership or individual is doing business)

P.O. BOX 457, FORESTVILLE, CA 95436
(Official mailing address)

BODEGA BAY, SONOMA COUNTY
(Service Area - Town and County)

Telephone Number: 707-887-7735 Fax Number: 707-887-9445

Email Address: RRUWATER@SONIC.NET

GENERAL INFORMATION

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

1. If a corporation show:
 (A) Date of organization 11/20/1999 incorporated in the State of California
 (B) Names, titles and addresses of principal officers: JAMES E. DUNTON, PRESIDENT, P.O. BOX 457 FORESTVILLE, CA 95436
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: N/A
 (B) Person responsible for operations and services: N/A
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) **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: **N/A**

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	1/13/2013
X		
X		1/28/2013
		N/A
		N/A

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

JAMES DUNTON	T-2	13417	D-2	16230
GREG PASSALACQUA	T-2	30916	D-2	36086
ROBERT SHEROD	T-2	37339	D-2	45865

12. This annual report was prepared by:

Name of firm or consultant: SERENO DEL MAR WATER COMPANY

Address of firm or consultant: P.O. BOX 457, FORESTVILLE, CA 95436

Phone Number of firm or consultant: 707-887-7735

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
N/A											

**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:

Name: CALIFORNIA BANK AND TRUST
 Address: FISCAL SERVICES 520 CAPITOL MALL, SUITE 100, SACRAMENTO, CA 95814-4714
 Phone Number: 916-341-4800
 Account Number: 1030054509
 Date Hired: N/A

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

\$ 19,338.43

Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
5/8 X 3/4 inch	104	\$ 5.60
3/4 inch		
1 inch	28	\$ 5.60
1 1/2 inch		
2 inch		
3 inch		
4 inch		
6 inch		
Number of Flat Rate Customers		
Total	132	\$ 11.20

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ 16,669.55
Deposits during the year	<u>19,338.43</u>
Interest earned for calendar year	<u>11.72</u>
Withdrawals from this account	<u>(16,160.32)</u>
Balance at end of year	<u>\$ 19,859.38</u>

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

REPAYMENT OF SAFE DRINKING WATER BOND

**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	20,000				20,000
4		Total non-depreciable plant	20,000				20,000
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					
11	330	Reservoirs, Tanks and Standpipes	150,000				150,000
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	230,000	-	-	-	230,000
20		Total water plant in service	250,000	-	-	-	250,000

SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2016)

Line	Acct.	Assets	Balance
1	101	Water Plant in Service (Excluding SDWBA/SRF)	\$497,776
2	101.1	Water Plant in Service - SDWBA/SRF	\$250,000
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	(\$263,474)
9	108.1	Accumulated Amortization of SDWBA/SRF Loan	(\$175,354)
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	\$55,225
16	131.3	Cash - Miscellaneous Special Deposits (Prop 50)	
17	132	Special Deposits	\$9,254
	133.0	Special Deposits Cal Bank and Trust SDM	\$19,860
18	141	Accounts Receivable - Customers	\$20,333
19	142	Receivables from Associated Companies	
20	143	Accumulated Provision for Uncollectible Accounts	
21	151	Materials and Supplies	
22	174	Other Current Assets	
23	180	Deferred Charges	
24			
25			
26		Total Assets	\$413,620
Line	Acct.	Equity and Liabilities	Balance
27	201	Common Stock (for corporations only)	\$29,450
28	204	Preferred Stock (for corporations only)	
29	211	Other Paid-in Capital (for corporations only)	\$100,000
30	215	Retained earnings (for corporations only)	\$36,487
31	218	Proprietary Capital (for proprietorships and partnerships only)	
32	224	Long-Term Debt	\$74,646
33	231	Accounts Payable	\$3,609
34	232	Short-Term Notes Payable	
35	233	Customer Deposits	
36	236	Taxes Accrued	
37	237	Interest Accrued	
38	241	Other Current Liabilities	\$3,133
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	\$264,290
46	272	Accumulated Amortization of Contributions	(\$97,995)
47	282	Accumulated Deferred Income Taxes - ACRS Depreciation	
48	283	Accumulated Deferred Income Taxes - Other	
49			
50			
51		Total Equity and Liabilities	\$413,620

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	\$ 54,600				\$ 54,600
2	303	Land	-				-
3	304	Structures	47,485				47,485
4	307	Wells	32,000				32,000
5	311	Pumping Equipment	21,000				21,000
6	317	Other Water Source Plant	65,639				65,639
7	320	Water Treatment Plant	162,500				162,500
8	330	Reservoirs, Tanks and Standpipes	184,200				184,200
9	331	Water Mains	90,500				90,500
10	333	Services and Meter Installations	26,000				26,000
11	334	Meters	13,000				13,000
12	335	Hydrants	17,335				17,335
13	339	Other Equipment	27,145	6,372			33,517
14	340	Office Furniture and Equipment					
15	341	Transportation Equipment					
16		Total water plant in service	\$ 741,404	\$ 6,372	\$ -	\$ -	\$ 747,776

* 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	\$251,030	\$161,511		A. Method used to compute
2	Add: Credits to reserves during year				depreciation expense
3	(a) Charged to Account No. 272	\$6,607			(Acct. 403) and rate.
4	(b) Charged to Account No. 403	\$5,837			MACRS SL, 25 YRS, 5% of cost
5	(c) Charged to Account No. 407		\$13,843		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	\$263,474	\$175,354		for the year covered by this
9	Deduct: Debits to reserves during year				report \$ 12,435
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	\$0	\$0		MACRS SL, 25 YRS, 5% of cost
14	Balance in reserve at end of year	\$263,474	\$175,354		
15	(1) Explanation of all other credits				
16	(2) Explanation of all other debits				

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

Line	Description	Shareholder Name	Number of Shares	Par Value
1	Common Stocks		2945	\$ 10.00
2	Common Stocks			
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			
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		2945	\$ 10.00
33	Total annual dividends declared and/or paid to common stockholders			\$ n/a
34	Percentage of total annual dividend to common stockholders as a percentage of total net income (%)			n/a
35	Total annual dividends declared and/or paid to preferred stock shareholders			\$ n/a
36	Percentage of total annual dividend to preferred stockholders as a percentage of total net income (%)			n/a

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

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	SDWBA Loan			1/1/2002	1/1/2022	\$250,000	2.51%		2,137	\$74,646
2	Contract #1997C307, SR 137061									
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	\$144,030
6	475	Approved Total Surcharge Revenue(s)	\$19,338
7	480	Other water revenue	(\$5,800)
8		Total Revenue Received	\$157,568
9		Less: Revenue Deductions	
10		SDWBA/SRF Surcharge Revenue	
11		Total Operating Revenue	
12		Operating Expenses:	
13	610	Purchased Water	
14	615	Power	\$6,427
15	618	Other Volume Related Expenses	
16	630	Employee Labor	
17	640	Materials	\$2,122
18	650	Contract Work	\$79,527
19	660	Transportation Expense	
20	664	Other Plant Maintenance Expenses	\$3,969
21	670	Office Salaries	
22	671	Management Salaries	
23	674	Employee Pensions and Benefits	
24	676	Uncollectible Accounts Expense	
25	678	Office Services and Rentals	\$9,896
26	681	Office Supplies and Expense	\$4,527
27	682	Professional Services	\$13,396
28	684	Insurance	\$2,766
29	688	Regulatory Commission Expense	\$308
30	689	General Expense	\$9
31		Total Operating Expenses	\$122,946
32	403	Depreciation Expense	\$5,837
33	407	SDWBA/SRF Loan Amortization Expense	\$13,843
34	408	Taxes Other Than Income Taxes	\$2,946
35	409	State Corporate Income Tax Expense	\$800
36	410	Federal Corporate Income Tax Expense	
37		Total Operating Revenue Deductions	\$23,426
38		Utility Operating Income	
39	421	Non-utility Income	\$15
40	426	Miscellaneous Non-utility Expense	
41	427	Interest Expense	(\$2,137)
42		Net Income	\$9,074

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
	1	6	70	8	-
	3	6	10	8	892,150
	4	6	10	12	1,091,590
	4B	6	30	1	-
	6	6	30	4	-
	7	6	30	1	-
	8	6	30	1	-
	9	6	80	4	484,048

OTHER

Streams or Springs Location of Diversion Point	Flow in Priority Right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
Carmet Spring					3,581,500
Purchased water (unit) MILLION GALLONS					
Supplier: CARMET BY THE SEA MUTUAL WATER CO.				Annual Quantity	
				6,049,288	

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	AUG	FEB	3,694,372
Commercial	N/A		
Industrial	N/A		
Fire Protection	N/A		
Irrigation	N/A		
Other (specify)			
CARMET SALES	OCT	MAR	1,387,670
			5,082,042
Total			

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	670	Office salaries				
3	671	Management salaries				
4		Total	N/A			N/A

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	N/A

SCHEDULE K - TOTAL METERS AND SERVICES (Active and Inactive)		
Size	Meters	Services
5/8 x 3/4-in	104	
3/4-in		
1-in	28	
-in		
-in		
Total	132	

SCHEDULE L - METER-TESTING DATA	
Number of meters tested during year	
1 Used, before repair	N/A
2 Used, after repair	
3 Fast, requiring refund	
Numbers of meters in service requiring test per General Order No. 103	N/A

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR								
Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	132		132	36		36	168	
Industrial/Commercial								
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify)								
Total	132		132	36		36	168	

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	N/A	0	Cast Iron					
Earth	N/A	0	Welded steel					
Wood	2	90,000	Standard screw					
Steel	1	212,000	Cement-asbestos			450	16,100 (6 inch)	16,550
Other	3	14,800	Plastic	8,000	2,000			10,000
			Other (specify)					
Total		316,800	Total	8,000	2,000	450	16,100	26,550

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:

Bank Name:	BANK OF THE WEST
Address:	6661 FRONT STREET, FORESTVILLE, CA 95436
Account Number:	177012879
Date Opened:	1/22/2015

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

A. Commercial

NAME	AMOUNT

_____	\$
_____	\$
_____	\$
_____	\$
_____	\$

B. Residential

NAME	AMOUNT
Ridley	5,000.00
_____	\$
_____	\$
_____	\$
_____	\$

3. Summary of the bank account activities showing:

	AMOUNT
Balance at beginning of year	\$ 4,251.60
Deposits during the year (new permit sold)	\$ 5,000.00
Interest earned for calendar year	\$ 2.22
Withdrawals from this account	\$ -
Balance at end of year	\$ 9,253.82

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 _____ JAMES E. DUNTON
Officer, Partner, or Owner (Please Print)

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, 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)

Signature

707-887-7735
Telephone Number

4/18/2017
Date