

Received _____
Examined _____

SEWER UTILITIES

U# _____

2016 ANNUAL REPORT OF

Canada Woods Water Company

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

P.O. Box 221850, Carmel, CA
(OFFICIAL MAILING ADDRESS)

93922
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 Page 11, must be signed by an authorized 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. 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.

SEWER UTILITIES

Canada Woods Water Company

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

P.O. Box 221850, Carmel, California 93922

(Official mailing address)

Carmel, Monterey County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show: **N/A**
 (A) Date of organization _____ incorporated in the State of _____
 (B) Names, titles and addresses of principal officers: _____

- 2 If unincorporated give the name and address of owner or of each partner: **(Organised as a Delaware Limited Liability Company) Canada Woods, LLC, Mmber c/o Howard M. Bernstein and/or Roy D. Kaufman, Managers, Kaufman, Bernstein, et al. 1925 Century Park East, Suite 800 Los Angeles, CA 90067.**

- 3 Name and telephone number of:
 (A) One person listed above to receive correspondence: **Alan Williams, Manager CWWC (831) 625 - 1066 c/o Canada Woods Water Company. 7450 Williams Ranch Road, Carmel, CA 93923**
 (B) Person responsible for operations and services: **Brian Garneau (831) 624 - 3179 Carmel Lahaina Utility Services, Inc.**

- 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) **Yes**
 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?
Operation of sewer system: Carmel Lahaina Utility Services, Inc. \$9,815 a/c 618, \$115,236 a/c 630, \$3,359 a/c 640, \$16,224 a/c 670, \$42,244 a/c 671.

- 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:

- 6 This annual report was prepared by:
 Name of firm or consultant: **Peasley, Aldinger & O'Bymachow**
 Address of firm or consultant: **2120 Main Street, Suite 265 Huntington Beach, CA 92648**
 Phone Number of firm or consultant: **(714) 536 - 4418**

PUBLIC HEALTH STATUS

- 7 Has state or local health department inspection been made during the year?
- 8 Are routine laboratory tests of water being made?
- 9 Has state health department water supply permit been obtained? (Indicate date)
- 10 If no permit has been obtained, state whether application has been made and when.
- 11 Show expiration date if state permit is temporary.

- 12 List Name, Grade, and License Number of all Licensed Operators:

| Yes | No | Latest Date |
|-----|----|-------------|
| | | N/A |
| | | N/A |
| | | N/A |
| | | N/A |
| | | N/A |

N/A

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 | | | | | | | | | | | |

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

| Line | Acct. | Assets | Balance |
|-------------|--------------|---|------------------|
| 1 | 101 | Water Plant in Service (Excluding SDWBA/SRF) | 4,396,945 |
| 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 | Construction Work in Progress - Plant | 1,783 |
| 7 | 100.3 | Construction Work in Progress (Prop 50) | |
| 8 | 108 | Accumulated Depreciation of Water Plant | (2,059,969) |
| 9 | 108.1 | Accumulated Amortization of SDWBA/SRF Loan | |
| 10 | 114 | Water Plant Acquisition Adjustments | |
| 11 | 121 | Non-utility Property and Other Assets | |
| 12 | 122 | Accumulated Depreciation of Non-water Utility Property | |
| 13 | 124 | Other Investments | |
| 14 | 131 | Cash | |
| 15 | 131.3 | Cash - Miscellaneous Special Deposits (Prop 50) | |
| 16 | 132 | Special Deposits | |
| 17 | 141 | Accounts Receivable - Customers | |
| 18 | 142 | Receivables from Associated Companies | |
| 19 | 143 | Accumulated Provision for Uncollectible Accounts | |
| 20 | 151 | Materials and Supplies | |
| 21 | 174 | Other Current Assets | |
| 22 | 180 | Deferred Charges | |
| 23 | | | |
| 24 | | | |
| 25 | | Total Assets | 2,338,759 |
| | | | |
| Line | Acct. | Equity and Liabilities | Balance |
| 26 | 201 | Common Stock (for corporations only) | |
| 27 | 204 | Preferred Stock (for corporations only) | |
| 28 | 211 | Other Paid-in Capital (for corporations only) | |
| 29 | 215 | Retained earnings (for corporations only) | |
| 30 | 218 | Proprietary Capital (for proprietorships and partnerships only) | 474,536 |
| 31 | 224 | Long-Term Debt | |
| 32 | 231 | Accounts Payable | 16,578 |
| 33 | 232 | Short-Term Notes Payable | |
| 34 | 233 | Customer Deposits | |
| 35 | 236 | Taxes Accrued | |
| 36 | 237 | Interest Accrued | |
| 37 | 241 | Other Current Liabilities | |
| 38 | 250 | Reserve for Depreciation of Utility Plant (Prop 50) | |
| 39 | 252 | Advances for Construction | |
| 40 | 253 | Other Credits | |
| 41 | 255 | Accumulated Deferred Investment Tax Credits | |
| 42 | 266.0 | Contributions - Publicly Grant-Funded Plant (Prop 50) | |
| 43 | 266.1 | Accumulated Amortization of Contributions - Publicly Grant-Funded Plant (Prop 50) | |
| 44 | 271 | Contributions in Aid of Construction | 3,327,723 |
| 45 | 272 | Accumulated Amortization of Contributions | (1,480,078) |
| 46 | 282 | Accumulated Deferred Income Taxes - ACRS Depreciation | |
| 47 | 283 | Accumulated Deferred Income Taxes - Other | |
| 48 | | | |
| 49 | | | |
| 50 | | Total Equity and Liabilities | 2,338,759 |

SCHEDULE B - SEWER 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 | - | | | | - |
| 3 | 304 | Structures | 196,271 | | | | 196,271 |
| 4 | 307 | Wells | - | | | | - |
| 5 | 311 | Pumping Equipment | 584,834 | | | | 584,834 |
| 6 | 317 | Other Water Source Plant | - | | | | - |
| 7 | 320 | Water Treatment Plant | 1,486,513 | | | | 1,486,513 |
| 8 | 330 | Reservoirs, Tanks and Standpipes | 185,031 | | | | 185,031 |
| 9 | 331 | Water Mains | 1,853,796 | | | | 1,853,796 |
| 10 | 333 | Services and Meter Installations | 90,500 | | | | 90,500 |
| 11 | 334 | Meters | - | | | | - |
| 12 | 339 | Other Equipment | - | | | | - |
| 13 | 340 | Office Furniture and Equipment | - | | | | - |
| 14 | 341 | Transportation Equipment | - | | | | - |
| 15 | | Total Sewer Plant in Service | 4,396,945 | - | - | - | 4,396,945 |

* 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 | Water Plant Funded by Prop 50 (For information only) | |
|------|--|-------------------------|--|---|
| 1 | Balance in reserves at beginning of year | 1,916,417 | | A. Method used to compute depreciation expense |
| 2 | Add: Credits to reserves during year | | | (Acct. 403) and rate. |
| 3 | (a) Charged to Account No. 272 | 94,896 | | COMPOSITE 3.09% |
| 4 | (b) Charged to Account No. 403 | 48,656 | | B. Amount of depreciation expense claimed or |
| 5 | (c) Charged to Account No. 407 | | | to be claimed on utility property in your federal |
| 6 | (d) Salvage recovered | | | income tax return for the year covered by this |
| 7 | (e) All other credits | | | report \$ N/A |
| 8 | Total credits | 143,552 | | |
| 9 | Deduct: Debits to reserves during year | | | C. State method used to compute tax depreciation. |
| 10 | (a) Book cost of property retired | | | N/A |
| 11 | (b) Cost of removal | | | |
| 12 | (c) All other debits | | | |
| 13 | Total debits | - | | |
| 14 | Balance in reserve at end of year | 2,059,969 | | |
| 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 | N/A | N/A | N/A |
| 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 | N/A | N/A | N/A |
| 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 | | | \$ 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 | | | | | | | | | | |
| 2 | N/A | | | | | | | | | |
| 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 | 202,069 |
| 3 | 462 | Fire Protection Revenue | |
| 4 | 465 | Irrigation Revenue | |
| 5 | 470 | Metered Water Revenue | |
| 6 | 475 | Approved Total Surcharge Revenue(s) | |
| 7 | 480 | Other water revenue | |
| 8 | | Total Revenue Received | 202,069 |
| 9 | | Less: Revenue Deductions | |
| 10 | | SDWBA/SRF Surcharge Revenue | |
| 11 | | Total Operating Revenue | 202,069 |
| 12 | | Operating Expenses: | |
| 13 | 610 | Purchased Water | |
| 14 | 615 | Power | 20,651 |
| 15 | 618 | Other Volume Related Expenses | 59,702 |
| 16 | 630 | Employee Labor | 115,236 |
| 17 | 640 | Materials | 11,167 |
| 18 | 650 | Contract Work | 1,435 |
| 19 | 660 | Transportation Expense | |
| 20 | 664 | Other Plant Maintenance Expenses | |
| 21 | 670 | Office Salaries | 16,224 |
| 22 | 671 | Management Salaries | 42,244 |
| 23 | 674 | Employee Pensions and Benefits | |
| 24 | 676 | Uncollectible Accounts Expense | |
| 25 | 678 | Office Services and Rentals | |
| 26 | 681 | Office Supplies and Expense | |
| 27 | 682 | Professional Services | 5,588 |
| 28 | 684 | Insurance | |
| 29 | 688 | Regulatory Commission Expense | |
| 30 | 689 | General Expense | 3,523 |
| 31 | | Total Operating Expenses | 275,770 |
| 32 | 403 | Depreciation Expense | 48,656 |
| 33 | 407 | SDWBA/SRF Loan Amortization Expense | |
| 34 | 408 | Taxes Other Than Income Taxes | |
| 35 | 409 | State Corporate Income Tax expense | |
| 36 | 410 | Federal Corporate Income Tax Expense | |
| 37 | | Total Operating Revenue Deductions | 324,426 |
| 38 | | Utility Operating Income | (122,357) |
| 39 | 421 | Non-utility Income | |
| 40 | 426 | Miscellaneous Non-utility Expense | |
| 41 | 427 | Interest Expense | |
| 42 | | Net Income | (122,357) |

See Accompanying Accountant's Compilation Report

SCHEDULE G - 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 | N/A - Employee labor expense is for contract workers of Carmel Lahaina Utility | | | | |
| 3 | 671 | Management salaries | Services and Carmel Development Company. Canada Woods Company has no | | | | |
| 4 | | Total | direct employees. | | | | |

SCHEDULE H - ADVANCES FOR CONSTRUCTION

| | |
|---|------------|
| Balance beginning of year | |
| Additions during year | |
| Subtotal - Beginning balance plus additions during year | N/A |
| Refunds | |
| Transfers to Acct. 271 - Contributions in Aid of Construction | |
| Balance end of year | |

SCHEDULE I - TOTAL METERS AND SERVICES (active and inactive)

| Size | Meters | Services |
|-------|--------|------------|
| -in | | 145 |
| -in | | |
| -in | | |
| -in | | |
| -in | | |
| Total | | 145 |

SCHEDULE J - METER-TESTING DATA

| | | |
|-------------------------------------|------------------------|------------|
| Number of meters tested during year | | |
| 1 | Used, before repair | N/A |
| 2 | Used, after repair | |
| 3 | Fast, requiring refund | |

SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR

| Classification | Active | | | Inactive | | | Total connections | |
|-----------------------------------|---------|------------|------------|----------|------|-------|-------------------|------------|
| | Metered | Flat | Total | Metered | Flat | Total | Metered | Flat |
| Residences | | 132 | 132 | | | | | 132 |
| Industrial | | | | | | | | |
| Other (specify) Commercial | | 13 | 13 | | | | | 13 |
| Total | | 145 | 145 | | | | | 145 |

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

SCHEDULE L - STORAGE FACILITIES

SCHEDULE M - 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) | | Total |
|-------------|----------|------------------------------|-----------------|--------------|----------------|---------------|-----------------------|--|----------------|
| | | | | | | | | | |
| Concrete | 6 | 30,000 | Cast Iron | | | | | | |
| Earth | | | Welded steel | | | | | | |
| Wood | | | Standard screw | | | | | | |
| Steel | 2 | 136,000 | Cement-asbestos | | | | | | |
| Other | | | Plastic | | 13,200 | 78,020 | 10,186 | | 101,406 |
| | | | Other (specify) | | | | | | |
| Total | 8 | 166,000 | Total | | 13,200 | 78,020 | 10,186 | | 101,406 |

DECLARATION

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

I, the undersigned _____
Officer, Partner, or Owner (Please Print)

of _____ **Canada Woods Water Company - Sewer** _____
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.

Title (Please Print)

Signature

Telephone Number

Date