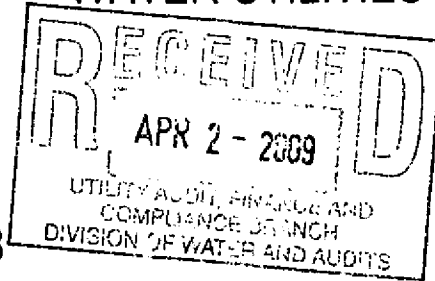


74

Received _____
Examined _____

CLASS B and C
WATER UTILITIES



U# WTB 206

2008

ANNUAL REPORT
OF

ALISAL WATER CORPORATION

ALCO WATER SERVICE

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

249 Williams Road, Salinas, CA 93905

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2008

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2009
(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
ATTN: KAYODE KAJOPAIYE
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298**

kok@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 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 calander year, from Janauary 1 through December 31. Fiscal year reports will not be accepted.

INSTRUCTIONS

FOR PREPARATION OF

SELECTED FINANCIAL DATA SHEET

FOR CLASS A, B, C AND D, WATER UTILITIES

To prepare the attached data sheets, refer to the Balance Sheet, Income Statement and supporting detail schedules in the annual report for the required data.

Please follow the instruction below:

1. Common plant allocated to water should be indicated with water plant figures in Net Plant Investment.
2. The capitalization section for those reporting on both California Only and Total System Forms should be identical and completed with Total Company Data. Be sure that Advances for Construction include California water data only.
3. Complete the operation section with California water revenues and expenses, but if necessary, remove interdepartmental revenues and expenses.
4. All other utility and nonutility revenues and expenses are netted on Line No. 38.

GENERAL INFORMATION

- 1 Name under which utility is doing business:
Alco Water Service
- 2 Official mailing address:
249 Williams Road, Salinas, CA ZIP **93905**
- 3 Name and title of person to whom correspondence should be addressed:
Thomas R. Adcock, President Telephone: **(831) 424-0441**
- 4 Address where accounting records are maintained:
249 Williams Road, Salinas, CA
- 5 Service Area: (Refer to district reports if applicable.)
East Salinas vicinity
- 6 Service Manager (if located in or near Service Area): (Refer to district reports if applicable.)
 Name:
 Address: Telephone:

- 7 OWNERSHIP. Check and fill in appropriate line:
- | | | |
|-------------------------------------|---------------------------------|---------------------------------|
| <input type="checkbox"/> | Individual (name of owner) | |
| <input type="checkbox"/> | Partnership (name of partner) | |
| <input type="checkbox"/> | Partnership (name of partner) | |
| <input type="checkbox"/> | Partnership (name of partner) | |
| <input checked="" type="checkbox"/> | Corporation (corporate name) | Alisal Water Corporation |
| | Organized under laws of (state) | California |

Principal Officers:

(Name)	Thomas R. Adcock	(Title)	President
(Name)	Patricia Adcock	(Title)	Secretary
(Name)	Marino Rodriguez	(Title)	Chief Financial Officer
(Name)		(Title)	

- 8 Names of associated companies:
Toro Water Service, Inc.
California Utilities Service, Inc.
- 9 Names of corporations, firms or individuals whose property or portion of property have been acquired during the year, together with date of each acquisition:
 Date:
 Date:
 Date:

- 10 Use the space below for supplementary information or explanations concerning this report:
 This report includes the financial information of Alco Water Service Salinas District, which includes the Salinas Division and San Jerardo water systems. Per Federal Court Order dated March 4, 2008, Mr. John Richardson, Receiver of the San Jerardo Water System is responsible "to maintain and operate the San Jerardo Water System". As such, effective March 10, 2008, Alco no longer performed any operation, maintenance, administrative or managerial duties for the San Jerardo water system.

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

Name	Treatment License #	Treatment Grade	Distribution License #	Distribution Grade
Thomas R. Adcock	17011	4	22462	3
Octavio Castillo	16660	2	N/A	N/A
Adam Souza	20785	2	22458	2
Andrea Schmitz	23026	2	19083	2
Lynette Snow	23038	2	19084	2
Matt Best	26798	1	29577	1
Andrew Clarke	28759	2	30053	3
Adnen Chaabane	29685	2	35212	2
Edward Alexandre	N/A	N/A	32755	2

NAME OF UTILITY ALCO WATER SERVICEPHONE (831) 424-0441PERSON RESPONSIBLE FOR THIS REPORT Marino A. Rodriguez

(Prepared from Information in the 2008 Annual Report)

	1/1/2008	12/31/2008	Average
BALANCE SHEET DATA			
1 Intangible Plant	15,341	15,341	15,341
2 Land and Land Rights	471,101	471,101	471,101
3 Depreciable Plant	25,730,475	27,941,055	26,835,765
4 Gross Plant in Service	26,216,917	28,427,497	27,322,207
5 Less: Accumulated Depreciation	(7,671,373)	(8,152,533)	(7,911,953)
6 Net Water Plant in Service	18,545,544	20,274,964	19,410,254
7 Water Plant Held for Future Use	-	-	-
8 Construction Work in Progress	1,484,911	2,987,569	2,236,240
9 Materials and Supplies	10,000	10,000	10,000
10 Less: Advances for Construction	(4,374,428)	(4,991,386)	(4,682,907)
11 Less: Contribution in Aid of Construction	(4,724,592)	(4,574,798)	(4,649,695)
12 Less: Accum Deferred Income and Investment Tax Credits	(920,846)	(938,849)	(929,848)
13 Net Plant Investment	<u>10,020,589</u>	<u>12,767,500</u>	<u>11,394,045</u>
CAPITALIZATION			
14 Common Stock	89,063	89,063	89,063
15 Treasury Stock	(55,761)	(55,761)	(55,761)
16 Paid-in Capital	-	-	-
17 Retained Earnings	1,118,475	1,584,585	1,351,530
18 Common Stock and Equity (Lines 14 through 17)	<u>1,151,777</u>	<u>1,617,887</u>	<u>1,384,832</u>
19 Preferred Stock	-	-	-
20 Long-Term Debt	9,646,651	9,696,208	9,671,430
21 Notes Payable	4,071,904	3,876,408	3,974,156
22 Total Capitalization (Lines 18 through 21)	<u>14,870,332</u>	<u>15,190,503</u>	<u>15,030,418</u>

NAME OF UTILITY ALCO WATER SERVICEPHONE (831) 424-0441

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	<u>2,045</u>
24 Fire Protection Revenue	<u>24,413</u>
25 Irrigation Revenue	<u>360,856</u>
26 Metered Water Revenue	<u>5,360,021</u>
Non Potable Water Revenue	<u>1,347</u>
Other Water Revenue	<u>22,295</u>
27 Total Operating Revenue	<u>5,770,977</u>
28 <u>Operating Expenses</u>	<u>3,724,178</u>
29 Depreciation Expense (Composite Rate 2.7594%)	<u>565,951</u>
30 Amortization and Property Losses	<u> </u>
31 Property Taxes	<u>108,082</u>
32 Taxes Other Than Income Taxes	<u>305,664</u>
33 Total Operating Revenue Deduction Before Taxes	<u>4,703,875</u>
34 California Corp. Franchise Tax	<u>19,960</u>
35 Federal Corporate Income Tax	<u>63,526</u>
36 Total Operating Revenue Deduction After Taxes	<u>4,787,361</u>
37 Net Operating Income (Loss) - California Water Operations	<u>983,616</u>
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>446,030</u>
39 Income Available for Fixed Charges	<u>1,429,646</u>
40 Interest Expense	<u>963,537</u>
41 Net Income (Loss) Before Dividends	<u>466,109</u>
42 Preferred Stock Dividends	<u>-</u>
43 Net Income (Loss) Available for Common Stock	<u>466,109</u>
44 Special Charges	<u>-</u>
Net Income (Loss)	<u>466,109</u>
OTHER DATA	
44 Refunds of Advances for Construction	<u>28,942</u>
45 Total Payroll Charged to Operating Expenses	<u>1,237,646</u>
46 Purchased Water	<u>-</u>
47 Power	<u>519,891</u>

<u>Active Service Connections</u>	(Exc. Fire Protect.) <u>98</u>	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections*		<u>8,694</u>	<u>8,719</u>	<u>8,707</u>
49 Flat Rate Service Connections		<u>-</u>	<u>-</u>	<u>-</u>
50 Total Active Service Connections		<u>8,694</u>	<u>8,719</u>	<u>8,707</u>

*The number of connections as of January 1, 2008 includes 66 connections for the San Jerardo Water System, and zero connections at December 31, 2008, because the San Jerardo water system was transferred to Receiver, John Richardson, on March 10, 2008. The number of connection at 12/31/08, includes Alco's Salinas Division (within the city limits) and one non potable customer outside the city limits.

Below are is the number of connections for Alco's Salinas District segregated by Salinas, Buena Vista and San Jerardo:

	Jan. 1	Dec. 31	Annual Average
Salinas - Metered Service Connections	<u>8,628</u>	<u>8,718</u>	<u>8,673</u>
Salinas - Metered Non Potable Service Connections	<u>-</u>	<u>1</u>	<u>1</u>
San Jerardo - Metered Service Connections	<u>66</u>	<u>-</u>	<u>33</u>
Total Active Service Connections	<u>8,694</u>	<u>8,719</u>	<u>8,707</u>

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 good and service provided in 200 :

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter

Row Number	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue derived from Non-Tariffed Good/Service (by account)	Revenue Account Number	Total Expenses incurred to provide Non-Tariffed Good/Service (by Account)	Expense Account Number	Advice Letter and/or Resolution Number approving Non-Tariffed Good/Service	Total Income Tax Liability incurred because of non-tariffed Good/Service (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets used in the provision of a Non-Tariffed Good/Service (by account)	Regulated Asset Account Number
------------	--	-------------------	---	------------------------	---	------------------------	--	---	-------------------------------------	---	--------------------------------

N/A

**CLASS A, B, C AND D 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 loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent: **N/A**

Name: _____
 Address: _____
 Phone Number: _____
 Account Number: _____
 Date Hired: _____

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

\$ _____	Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
	3/4 inch	_____	_____
	1 inch	_____	_____
	1 1/2 inch	_____	_____
	2 inch	_____	_____
	3 inch	_____	_____
	4 inch	_____	_____
	6 inch	_____	_____
	Flat Rate	_____	_____
	Total	_____	_____

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
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:

**CLASS A, B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (cont.)**

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					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant			N/A		
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
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					

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct. No.	Title of Account (a)	Schedule No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		CORPORATE CAPITAL AND SURPLUS			
2	201	Common stock	A-6	89,063	89,063
3	202	Treasury Stock		(55,761)	(55,761)
4	204	Preferred stock	A-6	-	-
5	211	Other paid-in capital	A-8	-	-
6	215	Retained earnings	A-9	1,584,584	1,118,475
7		Total corporate capital and retained earnings		1,617,886	1,151,777
8		PROPRIETARY CAPITAL			
9	218	Proprietary capital	A-10		
10	218.1	Proprietary drawings			
11		Total proprietary capital		-	-
12		LONG TERM DEBT			
13	224	Long term debt	A-11	9,696,208	9,646,651
		Less: Current portion of long term debt		(343,520)	(234,696)
		Net Long term debt		9,352,688	9,411,955
14	225	Advances from associated companies	A-12	-	-
15		CURRENT AND ACCRUED LIABILITIES			
16	231	Accounts payable		1,272,668	1,116,958
17	232	Short term notes payable		3,876,408	4,071,904
		Current portion of long term debt		343,520	234,696
18	233	Customer deposits		131,392	118,482
19	235	Payables to associated companies	A-13	24,810	-
20	236	Accrued taxes		61,330	52,508
21	237	Accrued interest		214,047	148,587
22	241	Other current liabilities	A-14	671,139	721,978
23		Total current and accrued liabilities		6,595,314	6,465,113
24		DEFERRED CREDITS			
25	252	Advances for construction	A-15	4,991,386	4,374,428
26	253	Other credits		967,360	1,628,104
27	255	Accumulated deferred investment tax credits	A-16	59,479	63,591
28	282	Accumulated deferred income taxes - ACRS depreciation	A-16	879,370	857,255
29	283	Accumulated deferred income taxes - other	A-16		
30		Total deferred credits		6,897,595	6,923,378
31		CONTRIBUTIONS IN AID OF CONSTRUCTION			
32	271	Contributions in aid of construction	A-17	6,808,895	6,771,843
33	272	Accumulated amortization of contributions		(2,234,097)	(2,047,251)
34		Net contributions in aid of construction		4,574,798	4,724,592
35		Total liabilities and other credits		29,038,281	28,676,815

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Pit Additions During year (c)	Pit Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service	26,216,917	2,219,990	(9,410)		28,427,497
2	103	Water plant held for future use	-				-
3	104	Water plant purchased or sold	29,000				29,000
4	105	Construction work in progress - water plant	1,484,911	1,502,658	XXXXXXXXXX		2,987,569
5	114	Water plant acquisition adjustments	(30,592)		XXXXXXXXXX		(30,592)
6		Total utility plant	27,700,236	3,722,648	(9,410)	-	31,413,474

* Debit or credit entries should be explained by footnotes or supplementary schedules
Other Debits or (Credits) for (\$1,170,716) represents the retirement of the Buena Vista water system sold on October 31, 2007 to California Water Service.

**SCHEDULE A-1a
Account No. 101 - Water Plant in Service**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Pit Additions During year (c)	Pit Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant	15,341				15,341
3	303	Land	471,101				471,101
4		Total non-depreciable plant	486,442				486,442
5		DEPRECIABLE PLANT					
6	304	Structures	652,418	36,831			889,249
7	307	Wells	956,731				956,731
8	317	Other water source plant	23,559				23,559
9	311	Pumping equipment	2,026,446	107,502			2,133,948
10	320	Water treatment plant	369,698	15,661			385,359
11	330	Reservoirs, tanks and sandpipes	352,683				352,683
12	331	Water mains	13,548,362	1,344,146			14,892,508
13	333	Services and meter installations	3,840,119	332,859	(6,816)		4,166,162
14	334	Meters	1,669,128	7,093			1,696,221
15	335	Hydrants	45,293				45,293
16	339	Other equipment	1,264,389	92,602			1,356,991
17	340	Office furniture and equipment	425,485	28,320	(2,594)		451,211
18	341	Transportation equipment	336,164	254,977			591,141
19		Total depreciable plant	25,730,475	2,219,990	(9,410)	-	27,941,055
20		Total water plant in service	26,216,917	2,219,990	(9,410)	-	28,427,497

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

SCHEDULE A-1b
Account No. 103 - Water Plant Held for Future Use

Line No.	Description and Location of Property (a)	Date of Acquisition (b)	Approximate Date When Property will be placed in Service (c)	Balance End of Year (d)
1				
2				
3	N/A			
4				
5				
6				
7				
8				
9				
10	Total			

SCHEDULE A-2
Account No. 121 - Non-utility Property and Other Assets

Line No.	Name and Description of Property (a)	Book Value End of Year (b)
1	Land	24,342
2	PG&E Deposit	80,405
3		
4		
5		
6		
7		
8		
9		
10	Total	104,747

SCHEDULE A-3
Account Nos. 108 and 122 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 106 Water Plant (b)	Account 106.1 SDWBA Loans (c)	Account 122 Non-utility Property (d)
1	Balance in reserves at beginning of year	7,671,373		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	565,951		
4	(b) Charged to Account No 272	186,846		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered	500		
7	(e) All other credits (Footnote 2)			
8	Total Credits	753,297		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	(9,410)		
11	(b) Cost of removal	-		
12	(c) All other debits (Footnote 3)	(262,727)		
13	Total debits	(272,137)		
14	Balance in reserve at end of year	8,152,533		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			2.7594%
16				
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS:			
24	All Other Debits of (\$262,727) is related to the sale of the Buena Vista Water			
25	system sold on October 31, 2007			
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION			
30	(a) Straight line	<input type="checkbox"/>		
31	(b) Liberalized	<input type="checkbox"/>		
32	(1) Sum of the years digits	<input type="checkbox"/>		
33	(2) Double declining balance	<input type="checkbox"/>		
34	(3) Other	<input type="checkbox"/>		
35	(c) Both straight line and liberalized	<input checked="" type="checkbox"/>		

SCHEDULE A-3a
Account No. 108 - Analysis of Entries in Depreciation Reserve

Line No.	Acct No.	Depreciable Plant (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserve During Year Excl. Cost of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures	303,868	28,738			332,606
2	307	Wells	327,270	31,572			358,842
3	317	Other water source plant	4,007	942			4,949
4	311	Pumping equipment	969,311	78,932			1,048,243
5	320	Water treatment plant	154,709	25,294			180,003
6	330	Reservoirs, tanks and sandpipes	145,099	8,170			153,269
7	331	Water mains	2,740,722	269,675		(262,727)	2,747,670
8	333	Services and meter installations	1,153,150	116,091	(6,816)		1,262,425
9	334	Meters	508,909	67,030	(2,594)		573,345
10	335	Hydrants	26,030	1,046			27,076
11	339	Other equipment	878,980	47,915			926,895
12	340	Office furniture and equipment	314,463	19,435		500	334,398
13	341	Transportation equipment	144,855	57,957			202,812
14		Total	7,671,373	752,797	(9,410)	(262,227)	8,152,533

SCHEDULE A-4
Account No. 174 - Other Current Assets

Line No.	Item (a)	Amount (b)
1	Prepaid Expenses	57,377
2	Deposits	25,042
3	Other	89,228
4		
5		
6		
7		
8		
9		
10	Total	171,647

SCHEDULE A-5

Accounts Nos. 180 and 253 - Unamortized debt discount and expense and unamortized premium on debt

- 1 Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt.
- 2 Show premium amounts in red or by enclosure in parentheses.
- 3 In column (b) show the principal amount of bonds or other long-term debt originally issued.

- 4 In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
- 5 Furnish particulars regarding the treatment of debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year.

- also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
- 6 Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years

Line No.	Designation of long-term debt (a)	Principal amount of securities to which discount and expense, or premium minus expense, relates (b)	Total discount and expense or net premium (c)	AMORTIZATION PERIOD		Balance beginning of year (f)	Debits during year (g)	Credits during year (h)	Balance end of year (i)
				From -- (d)	To -- (e)				
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12				N/A					
13									
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SCHEDULE A-6
Account Nos. 201 and 204 - Capital Stock

Line No.	Class of Stock (a)	Date of Issue (b)	Number of Shares		Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
			Authorized by Articles of Incorporation (c)	Par or Stated Value (d)			Rate (g)	Amount (h)
1	Common		11,250	No Par	11,250	89,063		
2								
3								
4								
5								
6							Total	

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK		PREFERRED STOCK	
	Name (a)	Number of Shares (d)	Name (c)	Number of Shares (d)
1	Estate of Robert T. Adcock	7,900		
2	ESOT	1,677		
3	Alco Water Service - Treasury Stock	1,673		
4				
5				
6				
7	Total number of shares	11,250	Total number of shares	

SCHEDULE A-8
Account No. 211 - Other Paid in Capital (Corporations only)

Line No.	Type of Paid in Capital (a)	Balance End of Year (b)
1		
2	None	
3		
4	Total	-

SCHEDULE A-9
Account No. 215 - Retained Earnings
(Corporations Only)

Line No	Item (a)	Amount (b)
1	Balance beginning of year	1,118,476
2	CREDITS	
3	Net income	466,109
4	Prior period adjustments	
5	Other credits (detail)	
6	Total credits	466,109
7		
8	DEBITS	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total debits	-
15	Balance end of year	1,584,585

SCHEDULE A-10
Account No. 218 - Proprietary Capital
(Sole Proprietor or Partnership)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	
2	CREDITS	
3	Net income	
4	Additional investments during year	N/A
5	Other credits (detail)	
6	Total credits	
7	DEBITS	
8	Net losses	
9	Withdrawals during year	
10	Other debits (detail)	
11	Total debits	
12	Balance end of year	

SCHEDULE A-11
Account No. 224 - Long Term Debt

Line No.	Class (a)	Name of Issue (b)	Date of Issue (c)	Date of Maturity (d)	Principal Amount Authorized (e)	Outstanding Per Balance Sheet (f)	Rate of Interest (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1	R. T. Adcock (Advances)		(various)	Demand	210,000	36,191	12.00%	3,055		3,055
2	Caterpillar Financial (Capital Lease)		Oct-04	Sep-08	238,573	-	4.80%	913		913
3	Caterpillar Financial (Capital Lease)		Jan-05	Dec-08	29,716	-	6.00%	320		320
4	4M Development (Capital Lease)		Nov-06	Nov-11	1,079,765	1,070,729	9.50%	129,180		129,180
5	Enterprise (Capital Lease)		Aug-05	Jul-10	53,783	20,632	8.90%	2,373		2,373
6	Enterprise (Capital Lease)		May-08	Apr-13	69,708	62,958	7.76%	3,116		3,116
7	Enterprise (Capital Lease)		Jun-08	May-13	66,480	61,805	8.37%	2,085		2,085
8	Enterprise (Capital Lease)		Jun-08	May-13	79,315	73,964	8.24%	2,311		2,311
9	RaboBank		Dec-08	Dec-13	124,929	124,929	6.00%	-		-
10	All State (2007A Bonds)		May-07	Jun-07	8,500,000	8,245,000	7.85%	653,120		653,120
11	Sub-total					9,696,208		796,473		796,473
12	Less: Current Portion of Long Term Debt					(343,520)				
13	Total					9,352,688		796,473		796,473

SCHEDULE A-12
Account No. 225 - Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2		N/A			
3					
4	Totals				

Schedule A-13
Account No. 235 - Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2		N/A			
3					
4	Totals				

SCHEDULE A-14
Account No. 241 - Other Current Liabilities

Line No.	Description (a)	Balance End of Year (b)
1	Payroll & PTO Accrual	154,944
2	Equipment Rentals	27,048
3	Bank Over Draft Book Basis	313,408
4	Other	175,739
5	Totals	671,139

SCHEDULE A-15
Account No. 252 - Advances for Construction

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	xxxxxxxxxxxxxxxx	4,374,428
2	Additions during year	xxxxxxxxxxxxxxxx	645,900
3	Subtotal - Beginning balance plus additons during year	xxxxxxxxxxxxxxxx	645,900
4	Charges during year:	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
5	Refunds	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
6	Percentage of revenue basis		xxxxxxxxxxxxxxxx
7	Proportionate cost basis	28,942	xxxxxxxxxxxxxxxx
8	Present worth basis		xxxxxxxxxxxxxxxx
9	Total refunds	28,942	xxxxxxxxxxxxxxxx
10	Transfers to Acct. 271, Contributions in aid of Construction	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
11	Due to expiration of contracts	-	xxxxxxxxxxxxxxxx
12	Due to present worth discount		xxxxxxxxxxxxxxxx
13	Total transfers to Acct. 271	-	xxxxxxxxxxxxxxxx
14	Securities Exchanged for Contracts (Enter detail below)		xxxxxxxxxxxxxxxx
15	Subtotal - charges during year		-
16	Balance end of year	xxxxxxxxxxxxxxxx	4,991,386

SCHEDULE A-16
Account Nos. 255, 282, and 283 - Deferred Taxes

Line No	Item (a)	Account 255 Investment Tax Credit (b)	Account 282 Income Tax - ACRS Depreciation (c)	Account 283 - Other (d)
1	Accumulated Deferred Investment Tax Credit	59,479		
2	Accumulated Deferred Income Taxes		879,370	
3				
4				
5	Totals	59,479	879,370	-

SCHEDULE A-17

Account No. 271 - Contributions in Aid of Construction

Instructions for Preparation of Schedule of Contributions in Aid of Construction

- 1 The credit balance in the account other than that portion of the balance relating to nondepreciable property (column d), to property retired prior to January 1, 1955 (column e), shall be written off through charges to this account and credits to Account No. 106, Accumulated depreciation of water plant, over a period equal to the estimated service life of the property involved. Upon retirement of depreciable property for which a depreciation reserve has been created through charges to this account, the cost thereof shall be credited to the appropriate plant account and concurrently charged to Account No. 106. If the property is retired prior to the service life originally estimated, the balance in this account with respect to the retired property shall be transferred to the depreciation reserve account.

- 2 That portion of the balance applicable to nondepreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such nondepreciable property acquired by donation or through use of donated funds shall be credited to the appropriate plant account and charged to this account to clear the credit balance carried herein.

- 3 That portion of the balance representing donations on property retired prior to January 1, 1955 (column e), and the amount of depreciation accrued to January 1, 1955, on property in service (column f), shall not be transferred from this account or otherwise disposed of without first receiving written authorization from the Commission.

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year	4,724,592	4,724,592			
2	Add: Credits to account during year					
3	Contributions received during year	37,052	37,052			
4	Other credits*	-				
5	Total credits	37,052	37,052			
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	186,846	186,846			
8	Nondepreciable donated property retired					
9	Other debits*	-				
10	Total debits	186,846	186,846			
11	Balance end of year	4,574,798	4,574,798			

* Indicate nature of these items and show the accounts affected by the contra entries

**SCHEDULE B
INCOME STATEMENT**

Line No.	Acct. No.	Account (a)	Schedule No. (b)	Amount (c)
1		UTILITY OPERATING INCOME		
2	400	Operating revenues	B-1	5,770,977
3		OPERATING REVENUE DEDUCTIONS		
4	401	Operating expenses	B-2	3,724,178
5	403	Depreciation expense	A-3	565,951
6	407	SDWBA loan amortization expense	pages 7 & 8	
7	408	Taxes other than income taxes	B-3	413,746
8	409	State corporate income tax expense	B-3	19,960
9	410	Federal corporate income tax expense	B-3	63,526
10		Total operating revenue deductions		4,787,361
11		Total utility operating income		983,616
12		OTHER INCOME AND DEDUCTIONS		
13	421	Non-utility income	B-5	512,017
14	426	Miscellaneous non-utility expense	B-5	(65,987)
15	427	Interest expense	B-6	(963,537)
16		Total other income and deductions		(517,507)
17		Net income		466,109

SCHEDULE B-1
Account No. 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		WATER SERVICE REVENUES			
2	460	Unmetered water revenue			
3		460.1 Single - family residential	2,045	644	1,401
4		460.2 Commercial and multi-residential			-
5		460.3 Large water users			-
6		460.5 Safe Drinking Water Bond Surcharge			-
7		460.9 Other unmetered revenue			-
8		Sub-total	2,045	644	1,401
9	462	Fire protection revenue			
10		462.1 Public fire protection			-
11		462.2 Private fire protection	24,413	24,973	(560)
12		Sub-total	24,413	24,973	(560)
13	465	Irrigation revenue	360,856	339,686	21,170
14	470	Metered water revenue			
15		470.1 Single-family residential	3,825,233	4,038,752	(213,519)
16		470.2 Commercial and multi-residential	1,357,243	1,279,650	77,593
17		470.3 Large water users			-
18		470.5 Safe Drinking Water Bond Surcharge			-
19		470.9 Other metered revenue (Ind/School)	177,545	186,866	(9,321)
20		Sub-total	5,360,021	5,505,268	(145,247)
	471	Water Revenue Accrual*	-	(39,607)	39,607
	475	Non Potable Water Revenue	1,347	-	1,347
21		Total water service revenues	5,748,682	5,830,964	(82,282)
22	480	Other water revenue	22,295	24,175	(1,880)
23		Total operating revenues	5,770,977	5,855,139	(84,162)

* Account 471000 Water Revenue Accrual was used to record the December 2008 revenue billed in January 2009 and December 2007 revenue billed in 2008.

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceeding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		PLANT OPERATION AND MAINTENANCE EXPENSES			
2		VOLUME RELATED EXPENSES			
3	610	Purchased water	-	-	-
4	615	Power	519,891	491,162	28,729
5	616	Other volume related expenses	7,480	7,141	339
6		Total volume related expenses	527,371	498,303	29,068
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor	610,700	574,826	35,874
9	640	Materials	80,109	95,328	(15,219)
10	650	Contract work	119,623	112,486	7,137
11	660	Transportation expenses	374,517	355,332	19,185
12	664	Other plant maintenance expenses	97,180	88,822	8,358
13		Total non-volume related expenses	1,282,129	1,226,794	55,335
14		Total plant operation and maintenance exp.	1,809,500	1,725,097	84,403
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	459,504	426,143	33,361
17	671	Management salaries	167,442	154,749	12,693
18	674	Employee pensions and benefits	397,500	550,684	(153,184)
19	676	Uncollectible accounts expense	38,403	-	38,403
20	678	Office services and rentals	95,355	95,709	(354)
21	681	Office supplies and expenses	143,843	138,705	5,138
22	682	Professional services	183,108	377,944	(194,836)
23	684	Insurance	295,076	237,292	57,784
24	688	Regulatory commission expense	11,530	11,076	454
25	689	General expenses	122,918	107,796	15,122
26		Total administrative and general expenses	1,914,678	2,100,098	(185,420)
27	800	Expenses capitalized	-	-	-
28		Net administrative and general expense	1,914,678	2,100,098	(185,420)
29		Total operating expenses	3,724,178	3,825,195	(101,017)

SCHEDULE B-3
Account No. 408, 409, 410 - Taxes Charged During the Year

Line No.	Type of Tax (a)	Total Taxes Charged During Year (b)	Distribution of Taxes Charged	
			Water (c)	Nonutility (d)
1	Taxes on real and personal property	108,082	108,082	-
2	State corporate franchise tax	19,960	19,960	-
3	State unemployment insurance tax	6,473	6,473	-
4	Other state and local taxes	214,488	214,488	-
5	Federal unemployment insurance tax	1,209	1,209	-
6	Federal insurance contributions act	83,494	83,494	-
7	Other federal taxes	-	-	-
8	Federal income taxes	63,526	63,526	-
9				
10				
11	Totals	497,232	497,232	-

SCHEDULE B-4
Reconciliation of Reported Net Income for Federal Income Taxes

- 1 Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.
- 2 If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
- 3 Show taxable year if other than calendar year from _____ to _____.

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 4	466,109
2	Plus:	
3	Income Taxes - PUC Basis	83,486
4	Book Depreciation	565,951
5	Taxable CIAC (Plus Gross-up)	26,502
6	Non-deductible expenses	29,796
7		
8	Subtotal	1,171,844
9		
10	Minus:	
11	Tax Depreciation (Approx.)	705,198
12	Non-taxable income - Deferred tax asset	349,482
13	Non-taxable Misc. Income	15,604
14	Taxable refund of advances for construction	10,349
15		
16	Estimated Taxable Income	91,211
17		

Note: The 2008 corporate tax returns for Alco Water Service have not been filed at the time this annual report was filed. Therefore, some of the amounts reported schedule B-4 are estimated and may be subject to change.

Members of Consolidated Tax Group:
 Alco Water Service
 Toro Water Service
 California Utilities Service

SCHEDULE B-5
Account No. 421 and 426 - Income from Nonutility Operations

Line No.	Description (a)	Revenues Acct. 421 (b)	Expenses Acct. 426 (c)
1	Interest and Dividend Income	53,714	
2	Late Charge Income	296	
3	Reimbursed Expense	9,273	
4	Other Income & Expenses - Prior Years	83,648	
5	Other Income - Deferred Tax Asset	349,482	
6	Misc Revenue	15,604	
7	Miscellaneous Non-Utility Expense		65,987
8	Total	512,017	65,987

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Short Term Debt Interest	310,025
2	Long Term Debt Interest	652,680
3	Customer Deposit Interest	832
4		
5		
6		
7		
8		
9		
10	Total	963,537

SCHEDULE C-1
Compensation of Individual Proprietor, Partners and Employees Included in Expenses

Line No.	Acct. No.	Account (a)	Number at End of Year (b)	Salaries Charged to Expense (c)	Salaries Charged to Plant Accounts (d)	Total Salaries and Wages Paid (e)
1	630	Employee Labor	22	610,700	336,940	947,640
2	670	Office salaries	9	459,504	-	459,504
3	671	Management salaries	2	167,442	13,507	180,949
4						
5						
6		Total	33	1,237,646	350,447	1,588,093

**SCHEDULE C-2
Loans to Directors, Officers, or Shareholders**

Line No.	Name (a)	Title (b)	Amount (c)	Interest Rate (d)	Maturity Date (e)	Security Given (f)	Date of Shareholder Authorization (g)	Other Information (h)
1								
2		N/A						
3								
4								
5								
6								
7	Total							

**SCHEDULE C-3
Engineering and Management Fees and Expenses, Etc., During Year**

Line No.	Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership, or person covering supervision and/or management of any department of the respondent's affairs, such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership.
1	1. Did the respondent have a contract or other agreement with any organization or person covering supervision
2	and/or management of its own affairs during the year? Answer: (Yes or No) Yes, by court order dated 4/9/02
3	(If the answer is in the affirmative, make appropriate replies to the following questions)* SEE NOTE BELOW.
4	2. Name of each organization or person that was a party to such a contract or agreement.
5	John W. Richardson & Associates
6	3. Date of original contract or agreement. 4/9/2002
7	4. Date of each supplement or agreement.
8	5. Amount of compensation paid during the year for supervision or management \$ -
9	6. To whom paid John Richardson, Receiver
10	7. Nature of payment (salary, traveling expenses, etc.).
11	8. Amounts paid for each class of service.
12	
13	9. Basis for determination of such amounts
14	
15	10. Distribution of payments: Amount
16	(a) Charged to operating expenses \$
17	(b) Charged to capital amounts \$
18	(c) Charged to other account \$
19	Total \$
20	11. Distribution of charges to operating expenses by primary accounts
21	Number and Title of Account Amount
22	\$
23	\$
24	\$
25	Total \$
26	12. What relationship, if any, exists between respondent and supervisory and/or managing concerns?
27	

* File with this report a copy of every contract, agreement, supplement or amendment mentioned above unless a copy of the instrument in due form has been furnished, in which case a definite reference to the report of the respondent relative to which it was furnished will suffice.

Note: The Receivership per court order dated April 9, 2002 is applicable to Alco's small San Jerardo Water System and not to Alco's Salinas Division. Per Federal Court Order dated March 4, 2008, Mr. John Richardson, Receiver of the San Jerardo water system, is responsible "to maintain and operate the San Jerardo System". As such, effective March 10, 2008, Alco no longer performed any operation, maintenance, administrative and management duties for the San Jerardo Water System.

**SCHEDULE D-1
Sources of Supply and Water Developed**

STREAMS				FLOW IN (Unit) 2				Annual Quantities Diverted (Unit) 2	Remarks
Line No.	Diverted Into	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions			
				Claim	Capacity	Max.	Min.		
1									
2		N/A							
3									
4									
5									
WELLS						Pumping Capacity (Unit) 2	Annual Quantities Pumped (Unit) 2	Remarks	
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water				
6									
7		See Attachment 1							
8									
9									
10									
TUNNELS AND SPRINGS				FLOW IN (Unit) 2		Annual Quantities Pumped (Unit) 2	Remarks		
Line No.	Designation	Location	Number	Maximum	Minimum				
11									
12									
13		N/A							
14									
15									
Purchased Water for Resale									
16	Purchased from								
17	Annual Quantities purchased						(Unit chosen) 1		
18	N/A								
19									
<p>* State ditch pipeline reservoir, etc., with name, if any. 1 Average depth to water surface below ground surface 2 The quantity unit in established use for experiencing water stored and used in large amounts is the acre foot, which equals 43,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second. In gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.</p>									

**SCHEDULE D-2
Description of Storage Facilities**

Line No.	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			
2	Concrete			
3	Earth			
4	Wood			
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal			
12	Concrete	3	150,000	Gallons
13	Totals	3	150,000	Gallons

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES

Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____

Line No.		0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume								
3	Lined conduit		N/A						
4									
5	Totals								

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES - Concluded

Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____

Line No.		101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								
7	Flume		N/A						
8	Lines conduit								
9									
10	Totals								

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING

Line No.		1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron									
12	Cast iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw									
17	Screw or welded casing									
18	Cement - asbestos			1,075		37,134	75,994	450	55,074	29,605
19	Welded steel									
20	Wood									
21	Other (specify) Plastic			322		-	8,443		80,471	56,388
22	Totals	-	-	1,397	-	37,134	84,437	450	135,545	85,993

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - Concluded

Line No.		10	12	14	16	18	20	Other Sizes (Specify Sizes)		Total All Sizes
								24	30	
23	Cast Iron									-
24	Cast iron (cement lined)									-
25	Concrete									-
26	Copper									-
27	Riveted steel									-
28	Standard screw									-
29	Screw or welded casing									-
30	Cement - asbestos	2,540	16,003							217,875
31	Welded steel									-
32	Wood									-
33	Other (specify) Plastic	5,672	75,363		15,115	14,330		2,203	6,000	264,307
34	Totals	8,212	91,366	-	15,115	14,330	-	2,203	6,000	482,182

**SCHEDULE D-4
Number of Active Service Connections**

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
	Single family residential	7,913	7,941	
Commercial and Multi-residential	632	629		
Large water users				
Public authorities				
Irrigation	94	95		
Other (specify) - Fire Protection			51	52
Industrial/ School (see note)	55	53		
Non Potable	-	1		
Subtotal	8,694	8,719	51	52
Private fire connections			46	46
Public fire hydrants				
Total	8,694	8,719	97	98

Note: In the 2007 Annual Report, 51 Industrial/ School this was understated by 4 connections and is corrected here.

**SCHEDULE D-5
Number of Meters and Services on
Pipe Systems at End of Year**

Size	Meters	Services
5/8 x 3/4 - in	3,095	xxxxxxxxxxxx
3/4 - in	1,139	3,986
1 - in	3,054	3,278
1 1/2 - in	1,542	1,540
2 - in	165	181
3 - in	36	35
4 - in	16	94
6 - in	6	19
Other	2	7
Total	9,055	9,140

**SCHEDULE D-6
Meter Testing Data**

A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:	
1. New, after being received	_____
2. Used, before repair	_____
3. Used, after repair	_____
4. Found fast, requiring billing adjustment	_____
B. Number of Meters in Service Since Last Test	
1. Ten years or less	8,855
2. More than 10, but less than 15 years	200
3. More than 15 years	-

**SCHEDULE D-7
Water delivered to Metered Customers by Months and Years in 100 Cubic Feet (Unit Chosen):**

Classification of Service	During Current Year							Subtotal
	January	February	March	April	May	June	July	
Single-family residential	80,208	83,759	84,149	103,710	114,698	118,590	134,048	719,162
Commercial and Multi-residential	35,889	36,653	36,585	40,873	43,177	47,198	49,148	289,523
Large water users								-
Public authorities								-
Irrigation	2,183	1,179	2,469	7,454	13,815	16,727	19,710	63,537
Other (School/Industrial)	1,868	1,686	2,098	3,484	6,104	5,631	5,694	26,565
Non-Potable							1,307	1,307
Total	120,148	123,277	125,301	155,521	177,794	188,146	209,907	1,100,094

Classification of Service	During Current Year					Subtotal	Total	Total Prior Year
	August	September	October	November	December			
Single-family residential	136,440	126,246	115,902	102,769	85,433	566,790	1,285,952	1,384,815
Commercial and Multi-residential	55,994	90,514	47,186	45,762	39,234	278,690	568,213	524,311
Large water users						-	-	-
Public authorities						-	-	-
Irrigation	19,951	18,631	16,063	7,780	2,999	65,424	128,961	115,338
Other (School/Industrial)	9,187	5,940	5,133	3,576	1,790	25,626	52,191	57,125
Non-Potable		137	200			337	1,644	-
Total	221,572	241,468	184,484	159,887	129,456	936,867	2,036,961	2,081,589

Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated _____ Total population served _____ 28,119

The 2008 consumption for Alco's Salinas District which includes the Salinas and San Jerardo Water Systems. The San Jerardo Water System was transferred to the Receiver, John Richardson on March 10, 2008, therefore no consumptions for that system are recorded in remainder of the year. Below is the breakdown of 2008 total consumptions for each water system.

Salinas - Potable	2,033,432
Salinas - Non Potable	1,644
San Jerardo (2 Mos.)	1,885
Total	<u>2,036,961</u>

FACILITIES FEES DATA

Class B: Please provide the following information relating to Facilities Fees for districts or subsidiaries serving 2,000 or fewer customers for the calendar year (per D.91-04-068).

Class C: Please provide the following information relating to Facilities Fees collected for the calendar year, pursuant to Resolution No. W-4110.

1. Trust Account Information:

N/A

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

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

A. Commerical

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

B. Residential

NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
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:

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SCHEDULE D-1
Sources of Supply and Water Developed

WELLS							Annual Quantities Pumped (AF)	Remarks
At Plant (Name or Number)	Location	Number	Dimension	Depth to Water	Pumping Capacity (GPM)			
Alma Well	Alma Street, Salinas		16"/12"	116'	800	45.852	Lined	
Bardin Well	Bardin Road, Salinas		16"	NA	NA	-	Drilled In 2007	
Laurel Heights Well	St. Regis Way, Salinas		NA	NA	NA	-		
County Well	E. Laurel Drive, Salinas		14"	154'	2377	2,049.289		
San Jerardo 2 (Note 3)	Old Stage Road, Salinas		12"	NA	NA	N/A	Transferred 3/08	
San Jerardo 3 (Note 3)	Old Stage Road, Salinas		10"	209'	172	N/A	Transferred 3/08	
Alisal High	Burke Street, Salinas		16"	189'	2106	473.744		
Las Casitas (Note 2)	Las Casitas Drive, Salinas		16"	113'	2371	1.709	Stand by Source	
Santana	Garner Ave, Salinas		16"	148'	1333	524.381		
Boronda (Note 1)	Boronda Road, Salinas		16"	126'	1997	5.070	Stand by Source	
Kilbreth	Kilbreth Avenue, Salinas		16"	234'	2876	1,704.101		
Nogal Drive (Note 2)	Nogal Drive, Salinas		16"	145'	2031	0.991	Stand by Source	

Note 1: Approximately 3.8 acre feet of water produced from this well was sold as non-potable water to Alco's non potable customer. The balance of the water produced by this source was for flushing and testing purposes. No water from this stand by source was put into the drinking water system.

Note 2: All water produced by these stand by sources was for flushing and testing purposes. No water from these stand by sources was put into the drinking water system.

Note 3: Per Federal Court Order dated March 4, 2008, Mr. John Richardson, Receiver of the San Jerardo water system, is responsible "to maintain and operate the San Jerardo System". As such, effective March 10, 2008, Alco no longer performed any duties of the San Jerardo water system. Prior to that transfer, Alco's only tasks for San Jerardo were reading customer meters and billing customers. As such Alco did not have any water production information for this system and cannot report any production information for this report.