

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

2000
ANNUAL REPORT
OF

Altos Sonoma Corporation

Kenwood Village Water Company
(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

4984 Sonoma Highway

Santa Rosa, Ca. 95409
(OFFICIAL MAILING ADDRESS) ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2000

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2001
(FILE TWO COPIES IF THREE RECEIVED)

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.

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES

2000

NAME OF UTILITY Kenwood Village Water Company PHONE 707 539 6397

PERSON RESPONSIBLE FOR THIS REPORT Karen L. Ball, Manager
 (Prepared from Information in the 2000 Annual Report) 0

BALANCE SHEET DATA		1/1/00	12/31/00	Average
1	Intangible Plant	<u>225</u>	<u>225</u>	<u>225</u>
2	Land and Land Rights	<u>415181</u>	<u>512665</u>	<u>463918</u>
3	Depreciable Plant	<u>415406</u>	<u>512880</u>	<u>464143</u>
4	Gross Plant in Service	<u>113370</u>	<u>127806</u>	<u>120588</u>
5	Less: Accumulated Depreciation	<u>302036</u>	<u>385074</u>	<u>343555</u>
6	Net Water Plant in Service	<u>2055</u>	<u>3339</u>	<u>2697</u>
7	Water Plant Held for Future Use	<u>(16,944)</u>	<u>(-)</u>	<u>(8472)</u>
8	Construction Work in Progress	<u>(99289)</u>	<u>(117733)</u>	<u>(108511)</u>
9	Materials and Supplies	<u>17896</u>	<u>20616</u>	<u>19256</u>
10	Less: Advances for Construction	<u>205754</u>	<u>291296</u>	<u>248525</u>
11	Less: Contribution in Aid of Construction			
12	Less: Accumulated Deferred Income and Investment Tax Credits			
13	Net Plant Investment			
CAPITALIZATION				
14	Common Stock			
15	Proprietary Capital (Individual or Partnership)			
16	Paid-in Capital			
17	Retained Earnings			
18	Common Stock and Equity (Lines 14 through 17)	<u>223327</u>	<u>286658</u>	<u>254993</u>
19	Preferred Stock			
20	Long-Term Debt			
21	Notes Payable			
22	Total Capitalization (Lines 18 through 21)	<u>223782</u>	<u>286658</u>	<u>254993</u>

(Revised 10/97)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES

2000

NAME OF UTILITY Kenwood Village Water Co. PHONE (707) 539-6397

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	<u>3209</u>
24	Fire Protection Revenue	
25	Irrigation Revenue <u>Other Water</u>	<u>43363</u>
26	Metered Water Revenue	<u>130664</u>
27	Total Operating Revenue	<u>177236</u>
28	<u>Operating Expenses</u>	<u>98170</u>
29	Depreciation Expense (Composite Rate _____)	<u>11808</u>
30	Amortization and Property Losses	<u>30633</u>
31	Property Taxes	<u>1130</u>
32	Taxes Other Than Income Taxes	<u>3299</u>
33	Total Operating Revenue Deduction Before Taxes	<u>145040</u>
34	California Corp. Franchise Tax	<u>1862</u>
35	Federal Corporate Income Tax	<u>7488</u>
36	Total Operating Revenue Deduction After Taxes	<u>154090</u>
37	Net Operating Income (Loss) - California Water Operations	<u>23146</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense) +	<u>262</u>
39	Income Available for Fixed Charges	
40	Interest Expense	<u>11135</u>
41	Net Income (Loss) Before Dividends	
42	Preferred Stock Dividends	
43	Net Income (Loss) Available for Common Stock	<u>12273</u>

OTHER DATA

44	Refunds of Advances for Construction	<u>38122</u>
45	Total Payroll Charged to Operating Expenses	<u>6360</u>
46	Purchased Water	<u>9809</u>
47	Power	

<u>Active Service Connections</u>		(Exc. Fire Protect.) _____		Annual Average
	Jan. 1	Dec. 31		
48	Metered Service Connections	<u>296</u>	<u>297</u>	<u>297</u>
49	Flat Rate Service Connections			
50	Total Active Service Connections	<u>294</u>	<u>295</u>	<u>295</u>

CLASS B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) loan outstanding during the 12 month reporting period. (Use one sheet for each loan.)

1. Current Fiscal Agent:

Name: Westamerica Bank; Robin Cowden, Manager
Address: P.O. Box 137, Guerneville, Calif. 95446
Phone Number: (707) 969-0665
Date Hired: 9/95

2. Former Fiscal Agent:

Name: N/A
Address: _____
Phone Number: _____
Date Hired: _____

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

\$ 41,768.42 (billing)

4. Summary of the trust bank account activities showing:

Balance at beginning of year	<u>\$ 3,125.85</u>
Deposits during the year	<u>45,252.92</u>
Withdrawals made for loan payments	<u>36,352.33</u>
Other withdrawals from this account interest earned	<u>261.52</u>
Balance at end of year	<u>12,287.96</u>

5. Account information:

Bank Name: Westamerica Bank
Account Number: 403-13346-5
Date Opened: 1-1-98 transferred from 403-11761-1 to reflect changed
Company ownership.

6. Plant amounts included in Schedule A-1 a, Account No. 101--Water Plant in Service which were funded using SDWBA 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					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes	212,397				212,397
12	331	Water mains	153,234				153,234
13	333	Services and meter installations	34,901				34,901
14	334	Meters	1,908				1,908
15	335	Hydrants	23,651				23,651
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service	426,091				426,091

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

Kenwood Village Water Company

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

4984 Sonoma Highway, Santa Rosa, CA, 95409

(Official mailing address)

Kenwood, Sonoma County

(Service area-town and county)

GENERAL INFORMATION

**RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES**

- 1 If a corporation show:
 - (A) Date of organization 8/95 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers: James B. & Kathleen S. Downey
26000 Newbridge Rd, Los Altos Hills, CA, 94022
- 2 If unincorporated give the name and address of owner or of each partner:
- 3 Name and telephone number of: Karen L. Ball
 - (A) One person listed above to receive correspondence: (707) 539-6397
 - (B) Person responsible for operations and services:
- 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
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? JPB Environmental Services, Field service operations, Acct # 650
- 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. none

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		12/00
X		Renewed 8/57
N/A		
N/A		

SPECIAL INSTRUCTIONS (see following page)

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2000)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	938,971	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	286,658
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(247,098)	224	Long term debt	339,464
6	114	Water plant acquisition adjustments			Current Liabilities	5,387
7	124	Other investments		252	Advances for construction (3)	
8	131	Cash (1)	2,184	253	Other deferred credits	
9	141	Accounts receivable - customers	14,385	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	3,339		depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges (2)	16,841	271	Contributions in aid of construction	117,733
14				272	Accumulated amortization of contributions	(20,616)
15		Total Assets	728,626		Total Equity and Liabilities	728,626

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct.	Title of Account	Balance Beg of Year	Prt Additions During year	Prt Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land	225				225
18	304	Structures	7,136	(14) 163			7,294
19	307	Wells	10,772				10,772
20	317	Other water source plant	4,707				4,707
21	311	Pumping equipment	68,973	(14) 1,897			70,869
22	320	Water treatment plant	7,325				7,325
23	330	Reservoirs tanks and sandpipes	212,397				212,397
24	331	Water mains	333,006	86,010	46,807	(14)	414,336
25	333	Services and meter installations	118,904	(14) 14,300	(14) 4,500		128,704
26	334	Meters	24,043	953			24,996
27	335	Hydrants	38,155	1,876			40,031
28	339	Other equipment	10,288	590			16,188
28	340	Office furniture and equipment	6,955	865			7,820
30	341	Transportation equipment	2,872				2,872
31		Total water plant in service	841,497	106,654	9,180		938,971

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
32	Balance in reserves at beginning of year	113,370	88,659	A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year			
34	(a) Charged to Account No. 403	9,088		0.231 %
35	(b) Charged to Account No. 272	2,720		
36	(c) Charged to clearing accounts			B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$
37	(d) Salvage recovered			
38	(e) All other credits			
39	Total credits	11,808	30,633	
40	Deduct: Debits to reserves during year			C. State method used to compute tax depreciation.
41	(a) Book cost of property retired	9,180		
42	(b) Cost of removal			
43	(c) All other debits			
44	Total debits			
45	Balance in reserve at end of year	127,806	119,292	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

247,098

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, - 2000

Line	Common - (Shares \$ par)	Preferred - (Shares \$ par)	Dividends - Common Rate - \$	Dividends - Preferred Rate - \$	List persons owning more than 5% of outstanding stock and number of shares owned by each:
1					
2					
3					N/A
4					

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5								
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	XXXXXXXXXX
10	460 Unmetered water revenue	3209
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue (12)	130664
14	480 Other water revenue (13)	43363
15	Total Operating Revenue	177236
16	Operating revenue deductions	XXXXXXXXXX
17	Operating expenses	XXXXXXXXXX
18	610 Purchased water	6360
19	615 Power	9809
20	618 Other volume related expenses	401
21	630 Employee labor	456
22	640 Materials	4216
23	650 Contract work (5)	13843
24	680 Transportation expenses	576
25	684 Other plant maintenance expense	472
26	670 Office salaries (6)	6876
27	671 Management salaries (7)	30722
28	674 Employee pensions and benefits	8837
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	2280
31	681 Office supplies and expense	4590
32	682 Professional services (8)	2952
33	684 Insurance	2907
34	688 Regulatory commission expense	
35	689 General expenses (9)	2873
36	Total Operating Expenses	98170
37	403 Depreciation expense	11808
38	407 SDWBA loan amortization expense	30633
39	408 Taxes other than income taxes (15)	4429
40	409 State corporate income tax expense (10)	1862
41	410 Federal corporate income tax expense	7488
42	Total Operating Revenue Deductions	154090
43	Utility Operating Income	23146
44	421 Non-utility income Interest	262
45	426 Miscellaneous non-utility expense	
46	427 Interest expense (11)	11135
47	Net Income	12233

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
Kenwood	1		65	450	52.32 MG
Kenwood	2		30	300	2.26 MG

OTHER

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted (Unit)	
	Priority right	Diversions		
	Claim	Capacity	Max	Min
Purchased water (unit)				
Supplier: Sonoma County Water Agency			Annual quantity	
			.79 MG	

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business			47.22 MG
Industrial			
Public authorities			
Irrigation Parks			4.00 MG
Other (specify)			
Total			51.22 MG

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
48	630	Employee Labor	1	524	-	524
49	670	Office salaries	1	6876	-	6876
50	671	Management salaries	1	30722	-	30722
51		Total	4	38122		38122

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	16,944
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	(3) 16,944
Balance end of year	

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

Size	Meters	Services
3/4 x 3/4-in	281	
3/4-in		
1-in	6	
-in	5	
-in		
Total	298	

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year		
1 Used, before repair	7 tested	
2 Used, after repair	6 replaced	
3 Fast, requiring refund	0	
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	281			2			283	
Industrial <i>BUSINESS</i>	12						12	
Other (specify) <i>DARKS</i>	3						3	
Subtotal								
Fire protection (Hydrants)	20						20	
Total	316			2			318	

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

SCHEDULE N - STORAGE FACILITIES

Description	No.	Combined capacity in gallons
Concrete		
Earth		
Wood		
Steel	2	220,000 gal.
Other		
Total		

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	2" and under	2 1/4 to 3 1/4	4"	6" 8" 10" Other sizes (specify)	Totals
Welded steel			3000		3000
Standard screw				40	40
Cement-asbestos			1734	11650	13384
Plastic			710	2546 3656 685	7997
Other (specify) <i>Ductile Iron</i>					135
Total			5444	14236 3656 820	24156

DECLARATION

(BEFORE SIGNING PLEASE CHECK TO SEE THAT ALL SCHEDULES HAVE BEEN COMPLETED)

I, the undersigned (officer, partner or owner) of Herwood Village Water Co. (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

From and including Jan 1 2000 and including December 31 2000

Karen L. Ball

Signed Manager

Title April 9, 2001

Date

Notes for 2000 Kenwood Village Annual Report

1. Regular checking \$ 833
 Money Market 1,355
 \$2,189

2. DWR SDWBA Loan Administration Fee

3. Inactive Advance contract amounts transferred from Acct 252 to Acct 271,
 per 1995 PUV Audit

4. \$1,500 CIAC

5. Laboratory \$ 3,643
 Operations 10,200
 13,843

6. Includes employee FICA, SDI, FIT, and SIT contributions.
 Account # 408 expresses only employer contributions.
 This represents a changed accounting format.

7. Includes amounts from above note #6, as well as \$5,205 disallowed by PUC in
 W-4245 originally charged to plant accounts.

8. Accounting \$ 2,923
 Computer 29
 \$2952

9. User Use Fee \$1,501
 Gen'l Exp. 1,372
 2,873

10. Calculated at combined Penngrove and Kenwood (Class C designation per
 PUC) federal income tax rate of 39%.

11. DWR SDWBA Loan Interest.

12. Includes User Use Fee billed.

13. SDWBA Surcharges \$41, 768
 Late Charges 1,595
 \$43, 363

14. Company financed plant additions during the year:

Acct# 304 K1 Bldg landscape	\$163	
Acct # 311 Mercrold switch & Elapsed time meter K2	1,897	
Acct # 331 Treehaven Project	86,010	
Acct # 331 Abandoned 120' 2" old mainline		(240)
Acct #331 Abandoned 480' 4" old mainline		(2,400)
Acct #331 Abandoned 340' 6" old mainline		(2,040)
Acct # 333 9 services renewed	12,800	(4,500)
Acct # 335 1 hydrant	1,876	
6 meter replacements	953	
Acct# 339 Trash Pump	82	
Hi-weed mower	115	
Pressure recorder	393	
Acct #340 Okidata printer	744	
Filemaker 5.0	121	
	<u>105,154</u>	<u>(9180)</u>
Plant addition totals	\$95,974	

15. Payroll	\$3,218
Property	<u>1,211</u>
	\$4,429