

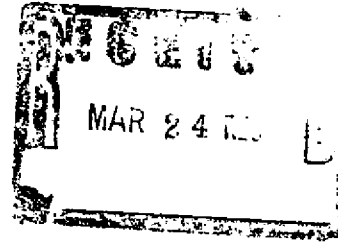
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Received \_\_\_\_\_

Examined \_\_\_\_\_

CLASS D  
WATER UTILITIES

U# \_\_\_\_\_



2002  
ANNUAL REPORT  
OF

Aptos Sonoma Corporation

Kenwood Village Water Company

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

4984 Sonoma Highway

Santa Rosa, Calif. 95409

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2002

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2003  
(FILE TWO COPIES IF THREE RECEIVED)

**Summary of Earnings  
Test Year 2002**

Account Number	Operating Revenue	
470	Metered	187120
460	Unmetered	32
465	Irrigation	
462-480	Private Fire Protection	
	<b>Total Revenue</b>	<b>187152</b>
	<b>Operating Expenses</b>	
610	Purchased Water	2366
615	Purchased Power	14548
	Pump Taxes	
	Purchased Chemicals	437
618	Other Vol. Related exp.	
630	Employee Labor	9883
640	Materials	4715
650	Contract Work	10733
	Water Testing	2102
660	Transportation Expense	1550
664	Other Plant Maintenance	499
670	Office Salaries	8809
671	Management Salaries	31630
674	Employee Pensions and Benefits	12672
676	Uncollectables	359
678	Office Service and Rentals	2120
681	Office Supplies and Expense	4293
682	Professional Services	3053
684	Insurance	4382
688	Regulatory Expense	
689	General Expense	3954
	<b>Subtotal</b>	<b>178205</b>
403	Depreciation Expense	10061
	Ad Valorem Taxes	2321
	Payroll taxes	4099
408	Taxes other than income	
409	State Income Tax	4638
410	Federal Income Tax	18653
	<b>Total Deductions</b>	<b>157977</b>
	<b>Net Revenue</b>	<b>29175</b>
	<b>Rate Base</b>	
	Average Plant	560629
	Average Depreciation Reserve	<1210617
	Net Plant	439568
	Less: Advances	
	Less: Contributions	<1056527
	Plus: Construction Work in Progress	
	Plus: Working Cash	9850
	Plus: Material & Supplies	4200
	<b>Rate Base</b>	<b>347966</b>
	<b>ROR=Net Rev/Rate Base</b>	<b>8.3890</b>

**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:
  
- 2 If unincorporated give the name and address of owner or of each partner: James B. & Kathleen S. Downey  
26000 Newbridge Rd. Los Altos Hills, Ca. 94022
  
- 3 Name and telephone number of:  
 (A) One person listed above to receive correspondence: Karen L. Bell  
 (B) Person responsible for operations and services: (707) 539-6397
  
- 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:

**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		12/02
X		renewed 8/97
N/A		
N/A		

**SPECIAL INSTRUCTIONS (over)**

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
20 02

NAME OF UTILITY Kennett Village Water Co. PHONE (707) 539-6397  
PERSON RESPONSIBLE FOR THIS REPORT Kim L. Ball  
(Prepared from Information in the 2002 Annual Report)

	1/1/02	12/31/02	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant			
2 Land and Land Rights	<u>225</u>	<u>225</u>	<u>225</u>
3 Depreciable Plant	<u>552638</u>	<u>568170</u>	<u>560404</u>
4 Gross Plant in Service	<u>552863</u>	<u>568395</u>	<u>560629</u>
5 Less: Accumulated Depreciation	<u>(114608)</u>	<u>(127513)</u>	<u>(121061)</u>
6 Net Water Plant in Service	<u>438255</u>	<u>440882</u>	<u>439568</u>
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies	<u>3611</u>	<u>4796</u>	<u>4201</u>
10 Less: Advances for Construction	<u>( )</u>	<u>( )</u>	<u>( )</u>
11 Less: Contribution in Aid of Construction	<u>(128923)</u>	<u>(132633)</u>	<u>(130778)</u>
12 Less: Accumulated Deferred Income and Investment Tax Credits	<u>(23594)</u>	<u>(26658)</u>	<u>(25126)</u>
13 Net Plant Investment	<u>336537</u>	<u>339697</u>	<u>338117</u>
<b>CAPITALIZATION</b>			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	<u>32757</u>	<u>329340</u>	<u>328449</u>
18 Common Stock and Equity (Lines 14 through 17)			
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	<u>32757</u>	<u>329340</u>	<u>328449</u>

(Revised 2/01)

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

2002  
(continued)

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

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	<u>32</u>
24	Fire Protection Revenue	
25	<del>Irrigation Revenue</del> DWR	<u>43767</u>
26	Metered Water Revenue	<u>185535</u>
27	Total Operating Revenue	<u>229334</u>
28	<u>Operating Expenses</u>	<u>118205</u>
29	Depreciation Expense (Composite Rate <u>231%</u> )	<u>10061</u>
30	Amortization and <del>Property Losses</del> DWR	<u>33159</u>
31	Property Taxes	<u>2321</u>
32	Taxes Other Than Income Taxes	<u>4099</u>
33	Total Operating Revenue Deduction Before Taxes	<u>167847</u>
34	California Corp. Franchise Tax	<u>4638</u>
35	Federal Corporate Income Tax	<u>18653</u>
36	Total Operating Revenue Deduction After Taxes	<u>191136</u>
37	Net Operating Income (Loss) - California Water Operations	<u>38198</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	
39	Income Available for Fixed Charges	
40	Interest Expense <u>Net</u>	<u>8675</u>
41	Net Income (Loss) Before Dividends	
42	Preferred Stock Dividends	
43	Net Income (Loss) Available for Common Stock	<u>29523</u>

OTHER DATA

44	Refunds of Advances for Construction	
45	Total Payroll Charged to Operating Expenses	<u>50322</u>
46	Purchased Water	<u>2366</u>
47	Power	<u>14548</u>

<u>Active Service Connections</u>		(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections		<u>292</u>	<u>293</u>	<u>293</u>
49	Flat Rate Service Connections				
50	Total Active Service Connections		<u>292</u>	<u>293</u>	<u>293</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; Tony Pratt, Manager  
Address: P.O. Box 137 Guerneville, Ca. 95446  
Phone Number: (707) 869-0665  
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:

\$ 42,182.32 billing

4. Summary of the trust bank account activities showing:

Balance at beginning of year	<u>\$ 18,181.68</u>
Deposits during the year	<u>44,057.65</u>
Withdrawals made for loan payments	<u>36,349.12</u>
Other <del>withdrawals</del> from this account (interest earned)	<u>348.09</u>
Balance at end of year	<u>26,238.30</u>

5. Account information:

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

6. Plant amounts included in Schedule 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	212397				212397
12	331	Water mains	153234				153234
13	333	Services and meter installations	34961				34961
14	334	Meters	1968				1968
15	335	Hydrants	23651				23651
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service	426091				426091

**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2002)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	994486	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	
4	105	Water plant construction work in progress		218	Proprietary capital	329240
5	108	Accumulated depreciation of water plant	(311,903)	224	Long term debt	285600
6	114	Water plant acquisition adjustments			Current Liabilities	11333
7	124	Other investments		252	Advances for construction	
8	131	Cash ①	9593	253	Other deferred credits	
9	141	Accounts receivable - customers	21463	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	4790		depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges ②	13899	271	Contributions in aid of construction	132633
14				272	Accumulated amortization of contributions	(26658)
15		Total Assets	732248		Total Equity and Liabilities	732248

**SCHEDULE B - WATER PLANT IN SERVICE**

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land	225				225
18	304	Structures	8003				8003
19	307	Wells	10772				10772
20	317	Other water source plant	20874				20874
21	311	Pumping equipment	86100	10300 ③			96400
22	320	Water treatment plant	7325	230 ④	100		7455
23	330	Reservoirs tanks and sandpipes	212469				212469
24	331	Water mains	415276				415276
25	333	Services and meter installations	137539	4399 ⑤			141938
26	334	Meters	28022	754 ⑥	120		28776
27	335	Hydrants	40031				40031
28	339	Other equipment	2196	69			2255
29	340	Office furniture and equipment	7250				7250
30	341	Transportation equipment	2872				2872
31		Total water plant in service	978954	15752	220		994486

\* 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	114608	151311	A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	10061		
35	(b) Charged to Account No. 272	3064		
36	(c) Charged to clearing accounts			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits	13125	33159	covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired	220		C. State method used to compute tax
42	(b) Cost of removal			depreciation.
43	(c) All other debits			
44	Total debits	220		
45	Balance in reserve at end of year	127513	184470	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

311983



**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2002)**

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						N/A		
7								
8	Totals							

**SCHEDULE F - INCOME STATEMENT**

9		Operating revenues	xxxxxxxxxxx
10	460	Unmetered water revenue	32
11	462	Fire protection revenue	
12	465	Irrigation revenue	
13	470	Metered water revenue	185535
14	480	Other water revenue (9)	43767
15		Total Operating Revenue	229334
16		Operating revenue deductions	xxxxxxxxxxx
17		Operating expenses	xxxxxxxxxxx
18	610	Purchased water	2366
19	615	Power	14548
20	618	Other volume related expenses	437
21	630	Employee labor	9883
22	640	Materials	4715
23	650	Contract work (10)	12835
24	660	Transportation expenses	1550
25	664	Other plant maintenance expense	499
26	670	Office salaries	8809
27	671	Management salaries	31630
28	674	Employee pensions and benefits	12672
29	676	Uncollectible accounts expense	359
30	678	Office services and rentals	2220
31	681	Office supplies and expense	4253
32	682	Professional services (11)	3053
33	684	Insurance	4382
34	688	Regulatory commission expense	
35	689	General expenses (12)	3954
36		Total Operating Expenses	118205
37	403	Depreciation expense	10061
38	407	SDWBA loan amortization expense	33159
39	408	Taxes other than income taxes (13)	6420
40	409	State corporate income tax expense	4638
41	410	Federal corporate income tax expense	18653
42		Total Operating Revenue Deductions	191136
43		Utility Operating Income	38198
44	421	Non-utility income (14)	348
45	426	Miscellaneous non-utility expense	
46	427	Interest expense (15)	9023
47		Net Income	29523

**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	12	47	450	56.60 MG
Kenwood	2	12	30	300	.03 MG
					56.63

**OTHER**

Streams or springs location of diversion point	Flow in		(Unit) Diversions		Annual quantities diverted (Unit)
	Priority right		Max	Min	
	Claim	Capacity			
Purchased water (unit) MG					Annual quantity
Supplier: Sonoma County Water Agency					1.51 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			52.89 MG
Industrial			
Public authorities			
Irrigation Parks			2.34 MG
Other (specify)			
Total			55.23 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	9883	0	9883
49	670	Office salaries	1	8809	0	8809
50	671	Management salaries	2	31630	0	31630
51		Total	4	50322	0	50322

**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

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

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

Size	Meters	Services
5/8 x 3/4-in	286	
3/4-in		
1-in	5	
2-in	7	
-in		
Total	298	

**SCHEDULE L - METER-TESTING DATA**

Number of meters tested during year	
1 Used, before repair...	6 tested & replaced
2 Used, after repair .....	
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	279		279	4		4	283	
Industrial <i>BUSINESS</i>	12							
Other (specify) <i>WORKS</i>	3							
Subtotal	294			4		4	298	
Fire protection (Hydrants)	20						20	
Total	314			4		4	318	

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"	6" 8" 10"			Totals
							Other sizes (specify)			
Concrete			Cast Iron							
Earth			Welded steel			3000				3000
Wood			Standard screw				40			40
Steel	2	220,000 gal	Cement-asbestos			2074	11310			13384
Other			Plastic			710	2546	3656	685	7597
			Other (specify)							
			<i>Ductile Iron</i>						135	135
Total			Total			5784	13886	3656	820	24156

**DECLARATION**

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

I, the undersigned (officer, partner or owner) of Kenwood 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, 2002, to and including December 31, 2002

Robert Z. Ball  
 Signed \_\_\_\_\_  
 Title Manager  
 Date 3/17/03

NOTES FOR 2002  
PUBLIC UTILITIES COMMISSION  
ANNUAL REPORT

1. CHECKING	4492	
Money Market	<u>5101</u>	
	9593	
2. SDWBA Administration Fee		
3. VFD @ K1		
4. Chlorine Chem pump		
5. Services: Atwood	3710	(CIAC)
Water Company	<u>689</u>	
	4399	
6. Metering (6)		
7. SDWBA only		
8. Accounts payable		
9. Late	1585	
DWR Billing	<u>42,182</u>	
	43767	
10. DHS	521	
Lab	1581	
Contract work	<u>10733</u>	
	12835	
11. Accounting	2735	
Computer Servs	<u>318</u>	
	3053	
12. Gen'l	1550	
User Use Fees	<u>2404</u>	
	3954	
13. Payroll	4099	
Property	<u>2321</u>	
	6420	
14. DWR Fiscal Acct (earned)	348	
15. DWR loan (interest paid)	9023	