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Received _____
Examined _____

CLASS D  
WATER UTILITIES

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

APR 16 2008

2007  
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, Calif. 95409  
(OFFICIAL MAILING ADDRESS) ZIP

TO THE  
PUBLIC UTILITIES COMMISSION  
STATE OF CALIFORNIA  
FOR THE  
YEAR ENDED DECEMBER 31, 2007

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2008  
(FILE TWO COPIES IF THREE RECEIVED)

**KENWOOD WATER COMPANY 2007 ANNUAL REPORT**

<b>Account Number</b>	<b>Operating Revenue</b>	
470	Metered	258978
460	Unmetered	348
465	Irrigation	
462-480	Private Fire Protection	367
	<b>Total Revenue</b>	<b>259693</b>
	<b>Operating Expenses</b>	
610	Purchased Water	5189
615	Purchased Power	11576
	Pump Taxes	
	Purchased Chemicals	646
618	Other Vol. Related exp.	
630	Employee Labor	20585
640	Materials	3289
650	Contract Work	9469
	Water Testing	3994
660	Transportation Expense	3459
664	Other Plant Maintenance	555
670	Office Salaries	13875
671	Management Salaries	39130
674	Employee Pensions and Benefits	25284
676	Uncollectables	361
678	Office Service and Rentals	3570
681	Office Supplies and Expense	5359
682	Professional Services	2720
684	Insurance	7752
688	Regulatory Expense	
689	General Expense	4612
	<b>Subtotal</b>	<b>161495</b>
403	Depreciation Expense	13575
	Ad Valorem Taxes	1869
	Payroll Taxes	6453
408	Taxes other than income	
409	State Income Tax	8513
410	Federal Income Tax	28540
	<b>Total Deductions</b>	<b>220445</b>
	<b>Net Revenue</b>	<b>39248</b>

**KENWOOD WATER COMPANY 2007 ANNUAL REPORT**

	<b>Rate Base</b>	
	<b>Average Plant</b>	807956
	<b>Net Plant</b>	633353
	<b>Less: Advances</b>	
	<b>Less: Contributions Ave Net</b>	159999
	<b>Plus: Construction work in Progress</b>	300
	<b>Plus: Working Cash</b>	13076
	<b>Plus: Materials &amp; Supplies</b>	2207
	<b>Rate Base</b>	488937
	<b>ROR=Net Rec/Rate Base</b>	8.02%

## 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 Kajoypaiye  
505 VAN NESS AVENUE, ROOM 3105  
SAN FRANCISCO, CALIFORNIA 94102-3298**

[kok@cpuc.ca.gov](mailto: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, typed or computer generated.
5. The report must be filled in, and every question answered. LEAVE NO SCHEDULE BLANK. Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Certain balance sheet and income statement accounts flow to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

**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)

Telephone Number: (707) 539-6397 Fax Number: (707) 539-6397 Email Address:

**GENERAL INFORMATION**

(Attach a supplementary statement, if necessary)

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 Downey, President & Secretary  
2600 Newbridge Rd, Los Altos Hills, Ca. 94022
- 2 If unincorporated provide the name and address of the owner(s) or the partners:
- 3 Name, title, and telephone number of: Karen L. Ball, Manager (707) 539-6397
  - (A) One person listed above to receive correspondence: " "
  - (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  
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	8/03
X		12/07
X		renewed 8/03

- 11 List Name, Grade, and License Number of all Licensed Operators:
  - Karen L Ball T-2, D-2 16977, 18435
  - James A Bethke T-3, D-3 17436, 19107
  - Tracy Bethke T-2, D-2 23410, 27267
  - Thomas Tracy T-2, D-3 26176, 21136



**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:

Name: Westamerica Bank  
 Address: Box 137, Guernville, Ca. 95441  
 Phone Number: (707) 869-9665  
 Account Number: 403-13346-5  
 Date Hired: 9/93

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

\$37,532 billed

Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
3/4 inch	1	13.53
1 inch	6	22.55
1 1/2 inch		
2 inch	5	76.16
3 inch		
4 inch		
6 inch		
Flat Rate		
	290	9.02
<u>5/8" x 3/4" Total</u>	<u>302</u>	<u>3155.43</u>

3. Summary of the bank account activities showing:

Balance at beginning of year	<u>\$46,371.55</u>
Deposits during the year	<u>34,344.23</u>
Interest earned for calendar year	<u>157.51</u>
Withdrawals from this account	<u>36,336.94</u>
Balance at end of year	<u>44,536.35</u>

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

SDWBA loan payments

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

4. Plant amounts which were funded using SDWBA funds should also be included in Schedule A, Account No. 101--Water Plant in Service

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	151,397				151,397
12	331	Water mains	153,234				153,234
13	333	Services and meter installations	34,901				34,901
14	334	Meters	1908				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



**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2007)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	1257537	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	47449
4	105	Water plant construction work in progress (1)	300	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(526926)	224	Long term debt	(4) 144466
6	114	Water plant acquisition adjustments			Current Liabilities	(5) 19721
7	124	Other investments		252	Advances for construction	
8	131	Cash (6)	34729	253	Other deferred credits	
9	141	Accounts receivable - customers	23869	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	1153		depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges (7)	7587	271	Contributions in aid of construction (8)	217766
14				272	Accumulated amortization of contributions	(47622)
15		<b>Total Assets</b>	<b>807749</b>		<b>Total Equity and Liabilities</b>	<b>807749</b>

**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	25998				25998
18	304	Structures	9770				9770
19	307	Wells	10722				10722
20	317	Other water source plant	22845				22845
21	311	Pumping equipment	105976 (9)	19244	(1235)		123985
22	320	Water treatment plant	13432 (10)	220	(100)		13552
23	330	Reservoirs tanks and sandpipes	212469				212469
24	331	Water mains	519127				519127
25	333	Services and meter installations	169392 (11)	11863	(900)		180355
26	334	Meters	56761 (12)	6015	(600)		62176
27	335	Hydrants	46751				46751
28	339	Other equipment	2589 (13)	775	(535)		2929
29	340	Office furniture and equipment	6757 (14)	4792	(600)		10933
30	341	Transportation equipment	7975 (15)	9450			16025
31		<b>Total water plant in service</b>	<b>1210558</b>	<b>50949</b>	<b>3870</b>		<b>1257537</b>

\* 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	170039	314945	
33	Add: Credits to reserves during year			A. Method used to compute depreciation expense (Acct. 403) and rate.
34	(a) Charged to Account No. 272	5030		2.31% S.L.
35	(b) Charged to Account No. 403	13575		
36	(c) Charged to Account No. 407			
37	(d) Salvage recovered			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 \$
38	(e) All other credits			
39	Total credits	188644	32915	
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired	(3970)		
42	(b) Cost of removal	(5508)		
43	(c) All other debits			C. State method used to compute tax depreciation.
44	Total debits	(9478)		
45	Balance in reserve at end of year	179166	347760	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

526,916

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2007)**

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

**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	SOWBA	1/96	1/12	426091	136282	2.99 + 5% Admin		4717
6	Vehicle	10/03	10/08	12744	833			96
7	Vehicle	9/07	9/12	23051	7350			75
8	Totals			461886	144465			4988

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxx
10	460 Unmetered water revenue	348
11	462 Fire protection revenue	367
12	465 Irrigation revenue	
13	470 Metered water revenue	258978
14	480 Other water revenue (14)	37932
15	Total Operating Revenue	297225
16	Operating revenue deductions	xxxxxxxx
17	Operating expenses	xxxxxxxx
18	610 Purchased water	5189
19	615 Purchased power	11576
20	618 Other volume related expenses	646
21	630 Employee labor (15)	20585
22	640 Materials	7189
23	650 Contract work (16)	13133
24	660 Transportation expenses	3459
25	664 Other plant maintenance expense	552
26	670 Office salaries	13975
27	671 Management salaries (17)	79130
28	674 Employee pensions and benefits	25684
29	676 Uncollectible accounts expense	361
30	678 Office services and rentals	3570
31	681 Office supplies and expense	5259
32	682 Professional services (18)	2720
33	684 Insurance	7752
34	688 Regulatory commission expense	
35	689 General expenses (19)	4612
36	Total Operating Expenses	161495
37	403 Depreciation expense	13575
38	407 SOWBA loan amortization expense	32815
39	408 Taxes other than income taxes (20)	9322
40	409 State income tax expense	9513
41	410 Federal income tax expense	28540
42	Total Operating Revenue Deductions	259260
43	Utility Operating Income	43965
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	4717
47	Net income	39248

**SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS**

CCF's

Location	No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped
Greene St	1	12	47	450	56241
Los Guillicas	2	12	30	300	3347
					59608

**OTHER**

Streams or springs location of diversion point	Flow in Priority right		(Unit) Diversions		Annual Quantities Diverted Unit
	Claim	Capacity	Max	Min	
Purchased water (unit)			Annual Quantity		
Supplier: Sonoma County Water Agency					4162

**SCHEDULE H 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	Aug	Feb	63466
Commercial			
Industrial			
Fire Protection			
Irrigation			
Other (specify) Parks	Aug	Feb	2.46
Total			63712

**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	2	20585	4870	25455
49	670	Office salaries	1	13975		13975
50	671	Management salaries	2	39130		39130
51		Total	5	73590	4870	78460

**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

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

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

Size	Meters	Services
5/8 x 3/4-in	196	
3/4-in	1	
1-in	6	
-in	6	
-in		
Total	309	

**SCHEDULE L - METER-TESTING DATA**

Number of meters tested during year	
1 Used, before repair...	replaced
2 Used, after repair .....	20 meters
3 Fast, requiring refund .....	during year
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	296		296	6		6	292	
Industrial/Commercial	13		13				13	
Irrigation	4		4				4	
Fire Protection (public)	21		21				21	
Fire Protection (private)	4		4				4	
Other (specify)								
Total	328		328	6		6	334	

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	Other sizes (specify)					Totals
				2" and under	2 1/4 to 3 1/4	4"	6"	8"	
Concrete			Cast Iron						
Earth			Welded steel			3000			3000
Wood			Standard screw				40		40
Steel	1	212000	Cement-asbestos			2074	11120		13294
Other			Plastic			710	2976	4246	635
			Other (specify)						
			Ductile Iron						
Total	1	212000	Total			5784	4326	4246	828

**DECLARATION**

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

I, the undersigned (officer, partner or owner) of Renwood 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, documents, 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 calendar year.

January 1, 2007 through December 31, 2007

Signed

Title

Date

Maureen L. Ball  
Manager  
3/4/07

**FACILITIES FEES DATA**

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

1. Trust Account Information:

Bank Name: Lanoma Natl Bank  
 Address: 801 4th St. Santa Rosa 95404  
 Account Number: 108660  
 Date Opened: 11/07 transferred from 403-15021-2

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

A. Commerical

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

B. Residential

NAME	AMOUNT
<u>Burch 5/8x3/4 new</u>	\$ <u>2,000</u>
<u>Vegetary 3/4x3/4 upgrade</u>	\$ <u>3,000</u>
<u>Levin 1" new</u>	\$ <u>5,000</u>
_____	\$ _____

3. Summary of the bank account activities showing:

Balance at beginning of year	<u>\$10,065.15</u>
Deposits during the year	<u>10,000</u>
Interest earned for calendar year	<u>42.64</u>
Withdrawals from this account	<u>18,798.72</u>
Balance at end of year	<u>1310.07</u>

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

Removed leaking, nonrepairable, steel pressure tank & replaced with bladder tank series in K1. Our primary well & pumping facilities.

**KENWOOD VILLAGE WATER COMPANY  
NOTES FOR 2007 ANNUAL REPORT**

**1. Booster pump**

2. @12/31/07 reg. checking	34,267
mm	<u>66,397</u>
	100,673
	x .34
	34,229

**3. SDWBA Admin fee**

4. DWR	136,282
Vehicles	<u>8,183</u>
	144,465

**5. Accounts payable**

6. @ 12/31/06	192,445
2007 CIAC	
148 Shaw	6,500
Bladder Series	18,821
@ 12/31/07	217,766
	<u>x.0231</u>
'07 272 dep.	5,030

7. Bladder tanks	18,821	+	Plant retirement (1,235)
Production meter	<u>423</u>		welded steel pressure
	19,244		tank = 123,985

8. Chlorinator	220	+	Plant retirement (100)
			Chem Tech pump = 13,552

9.	<b>Company</b>	<b>CIAC</b>	
1 turtlecreek	274		
340 Greene	178		
148 Shaw	324	6,500	
Misbro Serv. renewals	<u>4,587</u>		
	5,363	+	6,500 = 11,863,
		+	Plant retirement
		~	1960 serv (900) = 180,355

10. 2007 meter replacements	6,015	+ Plant retirement 20 meters (600) =	62,176
11. Field Equipment 12/31/06	2,589		
Brush Cutter	153		
Pressure recorders	307		
Handtools for GMC	315		
	<u>596</u>		
Physical inventory adjustment		+ (535) =	2,829
12. Office equipment 12/31/06	6,751		
Orion software & laptop	3,886		
Copier	777		
Security Software	68		
Typing Table	51		
	<u>4,782</u>		
Physical Inventory adjust.		+ (600) =	10,933
13. 2007 GMC Sierra P/U Rack, box & bedliner	23,051		
	625		
	<u>23,676</u>		
	x 34%		
	8,050		
14. SDWBA Surcharge			
15. Troy	13,047		
Tom	4,873		
Paul	2,665		
	<u>20,585</u>		
16. Contract Operations Lab	9,469		
	3,664		
	<u>13,133</u>		
17. Karen	28,477		
Jim	10,653		
	<u>39,130</u>		
18. Acctg.	2,720		
19. User Use General	3,355		
	1,257		
	<u>4,612</u>		

20. Payroll  
Property

6,453
<u>1,869</u>
8,322



**INCOME TAX CALCULATIONS  
ANNUAL REPORTS 2007**

	Penngrove		Kenwood
Gross	694,321		259,693
Dep.	(43,335)		(13,575)
Exp.	(419,383)		(161,495)
Pay/ Prop	<u>(24,683)</u>		<u>(8,322)</u>
Taxable	206,920		76,301
		283,221 x.0884 25,037	
State	16,524		8,513
Balance 1 <sup>st</sup> 100K		258,184 22,250	
	14,685	<u>66%</u>	<u>34%</u>
Balance		158,184 x.39 61,692	
	<u>40,717</u>	<u>66%</u>	<u>34%</u>
Federal	55,402		<u>20,975</u> <u>28540</u>