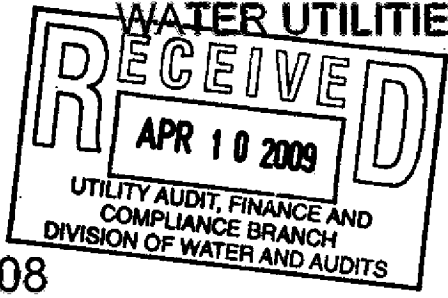


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Received	_____
Examined	_____

CLASS D
WATER UTILITIES



U# 118

2008

**ANNUAL REPORT
OF**

Altos Sonoma Corporation

Renwood 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, 2008**

**REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2009
(FILE TWO COPIES IF THREE RECEIVED)**

KENWOOD VILLAGE COMPANY 2008 ANNUAL REPORT

Account Number	Operating Revenue	
470	Metered	296726
460	Unmetered	643
465	Irrigation	
462-480	Private Fire Protection	962
	Total Revenue	298331
	Operating Expenses	
610	Purchased Water	5976
615	Purchased Power	12070
	Pump Taxes	
	Purchased Chemicals	922
618	Other Vol. Related exp.	
630	Employee Labor	34985
640	Materials	7810
650	Contract Work	5678
	Water Testing	3300
660	Transportation Expense	6122
664	Other Plant Maintenance	638
670	Office Salaries	15159
671	Management Salaries	40196
674	Employee Pensions and Benefits	22147
676	Uncollectables	687
678	Office Service and Rentals	3515
681	Office Supplies and Expense	5614
682	Professional Services	5267
684	Insurance	8193
688	Regulatory Expense	
689	General Expense	1482
	Subtotal	179761
403	Depreciation Expense	13864
	Ad Valorem Taxes	1458
	Payroll Taxes	7885
408	Taxes other than income	
409	State Income Tax	10,099
410	Federal Income Tax	35,090
	Total Deductions	248157
	Net Revenue	50,174

KENWOOD VILLAGE WATER COMPANY 2008 ANNUAL REPORT

	Rate Base	
	Average Plant	838815
	Net Plant	650622
	Less: Advances	
	Less: Contributions Ave Net	<168178>
	Plus: Construction work in Progress	300
	Plus: Working Cash	14375
	Plus: Materials & Supplies	1972
	Rate Base	499091
	ROR=Net Rec/Rate Base	10.05

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

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

(Official mailing address)

Santa Rosa, Ca. 95409

(Service area-town and county)

Kenwood, Sonoma

County

Telephone Number:

Fax Number:

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 CA.
 - (B) Names, titles and addresses of principal officers:
James B. + Kathleen Downen, President & Secty. 26000 Newbridge Rd.
- 2 If unincorporated provide the name and address of the owner(s) or the partners:
Los Altos Hills, Ca. 94022
- 3 Name, title, and telephone number of:
 - (A) One person listed above to receive correspondence: Karen L. Bell, manager (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 Servs. 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		12/08
X		renewed 9/03

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

Karen L. Bell T-2 16977
James P. Bathke T-3, D-2 13436, 18107
Tracy Bathke T-2, D-2 23410, 27367
Thomas Tracy T-2, D-3 26176, 21136

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 orders require water utilities to 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 forms 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...

Row Number	Description of Non-Tariffed Good/Service	Amount of Pkts/yr	Total Revenue derived from Non-Tariffed Goods/Service (by account)	Revenue Account Number	Total Expenses incurred to provide Non-Tariffed Goods/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
Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter.											

**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: West America Bank
 Address: PO Box 137, Gustaville, CA 95441
 Phone Number: (707) 969-0645
 Account Number: 483-13346-5
 Date Hired: 9/95

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	13.53
1 inch	6	22.55
1 1/2 inch		
2 inch	5	26.16
3 inch		
4 inch		
6 inch		
5" x 3/4" Number of Flat Rate Customers	290	9.02
Total	302	3145.43

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ 44,536.35
Deposits during the year	30,481.61
Interest earned for calendar year	17.95
Withdrawals from this account	36,362.94
Balance at end of year	38,788.97

SDWBA 106h Payments

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					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes	212,397				212,397
12	331	Water mains	15,323.4				15,323.4
13	333	Services and meter installations	349.81				349.81
14	334	Meters	19.8				19.8
15	335	Hydrants	236.51				236.51
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, 2008)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	1172275	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	461901
4	105	Water plant construction work in progress (1)	300	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(579141)	224	Long term debt (4)	109380
6	114	Water plant acquisition adjustments			Current Liabilities	27478
7	124	Other investments		252	Advances for construction	
8	131	Cash (2)	28813	253	Other deferred credits	
9	141	Accounts receivable - customers	33469	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	2791		depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges (3)	6464	271	Contributions in aid of construction	218889
14				272	Accumulated amortization of contributions	(52678)
15		Total Assets	764970		Total Equity and Liabilities	764970

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land	25998	1123 (5)			27121
18	304	Structures	9770				9770
19	307	Wells	10722	308 (6)			11030
20	317	Other water source plant	22845				22845
21	311	Pumping equipment	123985	633 (7)	(150)		124468
22	320	Water treatment plant	13552				13552
23	330	Reservoirs tanks and sandpipes	212469				212469
24	331	Water mains	519127				519127
25	333	Services and meter installations	180355				180355
26	334	Meters	62176	1566 (8)	(240)		63502
27	335	Hydrants	46751				46751
28	339	Other equipment	2829	8581 (9)			11150
29	340	Office furniture and equipment	10933	3414 (10)	(260)		14061
30	341	Transportation equipment	16035	49 (11)	(286)		16074
31		Total water plant in service	1257577	15674	(936)		1272275

* 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	179166	347760	A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 272	5056		
35	(b) Charged to Account No. 403	13864		
36	(c) Charged to Account No. 407			
37	(d) Salvage recovered	71		B. Amount of depreciation expense claimed
38	(e) All other credits		34160	or to be claimed on utility property in
39	Total credits	18991	381920	your federal income tax return for the year
40	Deduct: Debits to reserves during year			covered by this report \$
41	(a) Book cost of property retired	936		
42	(b) Cost of removal			
43	(c) All other debits			C. State method used to compute tax
44	Total debits			depreciation.
45	Balance in reserve at end of year	936		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits	197221	381920	

579,141

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2008)

Line				
1	Common - (Shares	\$	par)	List persons owning more than 5% of outstanding stock and number of shares owned by each:
2	Preferred - (Shares	\$	par)	
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	SDWBA	7/96	12/11	449400	103693	2.9815		3778
6	Vehicle	10/03	10/08	1744	0	6.99		26
7	" "	9/07	9/13	23057	17233	2.88		191
8	Totals							

SCHEDULE F - INCOME STATEMENT

17233 x .33 = 5687 Kenwood portion

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	643
11	462 Fire protection revenue	962
12	465 Irrigation revenue	
13	470 Metered water revenue	296716
14	480 Other water revenue (2)	37938
15	Total Operating Revenue	336269
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	5976
19	615 Purchased power	12070
20	618 Other volume related expenses	922
21	630 Employee labor	34985
22	640 Materials	7810
23	650 Contract work (3)	2978
24	660 Transportation expenses	6122
25	664 Other plant maintenance expense	638
26	670 Office salaries	15159
27	671 Management salaries	40196
28	674 Employee pensions and benefits	22147
29	676 Uncollectible accounts expense	687
30	678 Office services and rentals	3515
31	681 Office supplies and expense	5614
32	682 Professional services	5267
33	684 Insurance	8193
34	688 Regulatory commission expense	
35	689 General expenses (4)	1482
36	Total Operating Expenses	179761
37	403 Depreciation expense	13864
38	407 SDWBA loan amortization expense	34160
39	408 Taxes other than income taxes	9343
40	409 State income tax expense	10099
41	410 Federal income tax expense	35090
42	Total Operating Revenue Deductions	182317
43	Utility Operating Income	
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	3778
47	Net Income	50174

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	11	47	456	65,500
Los Guillicos	2	12	30	300	2601

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) CCF's					
Supplier: San Diego County Water Agency			Annual Quantity 3609		

SCHEDULE H WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit) CCF

Classification of service	Max mo. Mo. of	Min. Mo. Mo. Of	Total for year
Residential	July	Feb.	71,226
Commercial			
Industrial			
Fire Protection			
Irrigation			
Other (specify) Parks	July	Feb	3.68
Total			71,230

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	34985	428	35413
49	670	Office salaries	1	15159		15159
50	671	Management salaries	2	40196		40196
51		Total	5	90340	428	90768

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	296	
3/4-in	1	
1-in	6	
2-in	6	
-in		
Total	309	

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1 Used, before repair...	8 meters
2 Used, after repair	replaced
3 Fast, requiring refund ..	clerical yr.
Numbers of meters in service requiring tests 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	284		284	6		6	292	
Industrial/Commercial	13		13				13	
Irrigation Parks	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	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	1	212,000	Cement-asbestos			2074	11130	13204
Other			Plastic			710	2976	3686
			Other (specify)					
			Ductile Iron					
Total	1	212,000	Total			5784	44316	49100

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, 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, 2008 through December 31, 2008.

Signed

Title

Date

Karen L. Ball
manager
4/16/09

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: Sonoma Bank
 Address: 861 4th St. Santa Rosa 95404
 Account Number: 108660
 Date Opened: 11/1/07 transferred from 403-15021-2

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

A. Commercial

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

B. Residential

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

3. Summary of the bank account activities showing:

Balance at beginning of year	<u>\$1310.07</u>
Deposits during the year	<u>28.76</u>
Interest earned for calendar year	<u>3.94</u>
Withdrawals from this account	<u>1123.00</u>
Balance at end of year	<u>219.77</u>

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

K1 purchase easement

**2008 ANNUAL REPORT NOTES
KENWOOD VILLAGE WATER COMPANY**

1. Booster Pump		
2. Regular checking	20,555	
Money Market	8,257	
	28,812	
3. SDWBA Administrative Fee		
4. SDWBA	103,693	
GMC Sierra	5,287	
	103,693	
5. K1 easement		
6. Engineering re: St. Francis well		
7. K1 bladder tanks	120	
K2 production meter	513	
	633	
8. Meter replacements		
	8	
9. Valve book		8,021
Pipe locator	100	
Pruning shears	32	
Pressure recorder	858	
10' ladder	275	
Hacksaws (2)	41	
Combo Wrench	102	
Hog pumps (2)	100	
Pipe Spreader	188	
	1,696 x 33% =	560
		8,581
10. Paper folder		
	114	
Billing program	3,300	
	3,414	
11. GMC hitch assembly		
	49	
12. DWR surcharges		

13. Contract Labor	5,678
Water Testing	3,300
	8,978

14. Per R.K., if user use fees not included in gross revenue, should not be expensed in acct # 689.

CALCULATION OF INCOME TAXES 2008

	PENNGROVE		KENWOOD
Gross Income	788,569		298,331
Expenses	(458,594)		(179,761)
Depreciation	(45,995)		(13,864)
Pay/prop tax	<u>(33,246)</u>		<u>(9,343)</u>
Taxable Income	250,734		95,363
		346,097	
		<u>x.0884</u>	
		30,595	
State Tax	20,499		10,096
1st 100K		315,502	
		22,250	
	14,908	67%	7,343
		33%	
		215,502	
		<u>x.39</u>	
		84,046	
Federal	<u>56,311</u>	33%	<u>27,735</u>
	71,219		35,078