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Received _____
Examined _____

CLASS B and C
WATER UTILITIES

U# 204-WTC

RECEIVED
MAY 7 - 2009
UTILITY AUDIT, FINANCE AND
COMPLIANCE BRANCH
DIVISION OF WATER AND AUDITS

2008
ANNUAL REPORT
OF

MEADOWBROOK WATER COMPANY, INC.

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

2272 MEADOWBROOK AVENUE

MERCED, CA 95348

(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 calendar year, from January 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:
Meadowbrook Water Company, Inc. (an S corporation)
- 2 Official mailing address:
2272 Meadowbrook Avenue, Merced, CA ZIP 95348
- 3 Name and title of person to whom correspondence should be addressed:
David Walker, CEO Telephone: (209) 722-1069
- 4 Address where accounting records are maintained:
2272 Meadowbrook Avenue, Merced, CA
- 5 Service Area: (Refer to district reports if applicable.)
North to Belcher Rd, South to Hwy 59, East to Snelling Rd, West to Trinidad Rd, Merced, CA
- 6 Service Manager (if located in or near Service Area): (Refer to district reports if applicable.)
Name: Constance Farris
Address: 2232 Lobo Ave, Merced, CA 95348 Telephone: 209-722-1069

7 OWNERSHIP. Check and fill in appropriate line:

- Individual (name of owner) _____
- Partnership (name of partner) _____
- Partnership (name of partner) _____
- Partnership (name of partner) _____
- Corporation (corporate name) Meadowbrook Water Company, Inc. (an S corporation)

Organized under laws of (state) _____ California

Principal Officers:

(Name)	Derald Walker	(Title)	President
(Name)	Kathy Hill	(Title)	Secretary
(Name)	Mary Lee Nichols	(Title)	Treasurer
(Name)	David Walker	(Title)	Chief Executive Officer

8 Names of associated companies:

N/A

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:

N/A

Date:

Date:

Date:

Date:

10 Use the space below for supplementary information or explanations concerning this report:

N/A

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

Steve Press, Grade D2, License #17868

Constance Farris, Grade D2, License #32619

David Walker, Grade D1, License #32676

NAME OF UTILITY MEADOWBROOK WATER CO., INC.

PHONE (209) 722-1069

PERSON RESPONSIBLE FOR THIS REPORT DAVID WALKER

(Prepared from Information in the 2008 Annual Report)

	1/1/2008	12/31/2008	Average
BALANCE SHEET DATA			
1 Intangible Plant	7,524	7,524	7,524
2 Land and Land Rights	48,697	48,697	48,697
3 Depreciable Plant	1,964,706	2,240,410	2,102,558
4 Gross Plant in Service	2,020,927	2,296,631	2,158,779
5 Less: Accumulated Depreciation	(382,770)	(435,334)	(409,052)
6 Net Water Plant in Service	1,638,157	1,861,297	1,749,727
7 Water Plant Held for Future Use	-	-	-
8 Construction Work in Progress	105,143	-	52,572
9 Materials and Supplies	5,000	5,000	5,000
10 Less: Advances for Construction	(194,692)	(194,692)	(194,692)
11 Less: Contribution in Aid of Construction	(429,737)	(454,701)	(442,219)
12 Less: Accumulated Deferred Income and Investment Tax Credit	(87,163)	(110,560)	(98,862)
13 Net Plant Investment	1,036,708	1,106,344	1,071,526
CAPITALIZATION			
14 Common Stock	100,000	100,000	100,000
15 Proprietary Capital (Individual or Partnership)	-	-	-
16 Paid-in Capital	131,522	131,522	131,522
17 Retained Earnings	656,703	788,419	722,561
18 Common Stock and Equity (Lines 14 through 17)	888,225	1,019,941	954,083
19 Preferred Stock	-	-	-
20 Long-Term Debt	-	-	-
21 Notes Payable	-	-	-
22 Total Capitalization (Lines 18 through 21)	888,225	1,019,941	954,083

NAME OF UTILITY MEADOWBROOK WATER CO., INC. PHONE (209) 722-1069

INCOME STATEMENT

	Annual Amount
23 Unmetered Water Revenue (and Other Water Revenue)	8,549
24 Fire Protection Revenue	-
25 Irrigation Revenue	-
26 Metered Water Revenue	639,323
27 Total Operating Revenue	647,872
28 <u>Operating Expenses</u>	410,908
29 Depreciation Expense (Composite Rate 2.5%)	39,078
30 Amortization and Property Losses	N/A
31 Property Taxes	3,551
32 Taxes Other Than Income Taxes	19,138
33 Total Operating Revenue Deduction Before Taxes	472,675
34 California Corp. Franchise Tax	9,725
35 Federal Corporate Income Tax	30,914
36 Total Operating Revenue Deduction After Taxes	513,314
37 Net Operating Income (Loss) - California Water Operations	134,558
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	(2,784)
39 Income Available for Fixed Charges	131,774
40 Interest Expense	58
41 Net Income (Loss) Before Dividends	131,716
42 Preferred Stock Dividends	-
43 Net Income (Loss) Available for Common Stock	131,716

OTHER DATA

44 Refunds of Advances for Construction	-
45 Total Payroll Charged to Operating Expenses	153,853
46 Purchased Water	17,002
47 Power	66,639

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
To be provided by Connie/Dave				
48 Metered Service Connections		1575	1643	1609
49 Flat Rate Service Connections		69	1	35
50 Total Active Service Connections		1644	1644	1644

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 companies 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
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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:

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

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

\$ <u> N/A </u>	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	\$ <u> N/A </u>
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:

 N/A

**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	This schedule is N/A					
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						
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	100,000	100,000
3	204	Preferred stock	A-6	-	-
4	211	Other paid-in capital	A-8	131,522	131,522
5	215	Retained earnings	A-9	788,419	656,703
6		Total corporate capital and retained earnings		1,019,941	888,225
7		PROPRIETARY CAPITAL			
8	218	Proprietary capital	A-10	-	-
9	218.1	Proprietary drawings		-	-
10		Total proprietary capital		-	-
11		LONG TERM DEBT			
12	224	Long term debt	A-11	-	-
13	225	Advances from associated companies	A-12	-	-
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		64,593	116,853
16	232	Short term notes payable		-	-
17	233	Customer deposits		4,747	1,147
18	235	Payables to associated companies	A-13	-	-
19	236	Accrued taxes		79,719	65,306
20	237	Accrued interest		-	-
21	241	Other current liabilities	A-14	839	37,789
22		Total current and accrued liabilities		149,898	221,095
23		DEFERRED CREDITS			
24	252	Advances for construction	A-15	194,692	194,692
25	253	Other credits		-	-
26	255	Accumulated deferred investment tax credits	A-16	-	-
27	282	Accumulated deferred income taxes - ACRS depreciation	A-16	110,560	87,163
28	283	Accumulated deferred income taxes - other	A-16	-	-
29		Total deferred credits		305,252	281,855
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	A-17	558,656	520,206
32	272	Accumulated amortization of contributions	A-17	103,955	90,469
33		Net contributions in aid of construction		454,701	429,737
34		Total liabilities and other credits		1,929,792	1,820,912

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Description of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service	2,020,927	77,946	-	197,758	2,296,631
2	103	Water plant held for future use	-	-	-	-	-
3	104	Water plant purchased or sold	-	-	-	-	-
4	105	Construction work in progress - water plant	105,143	92,615	xxxxxxxxxxxx	(197,758)	-
5	114	Water plant acquisition adjustments	-	-	xxxxxxxxxxxx	-	-
6		Total utility plant	2,126,070	170,561	-	-	2,296,631

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

Column (e) adjustments: Well in Process (#6) put into service 9/23/2008.

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

Line No.	Acct No.	Description of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		DEPRECIABLE PLANT					
2	301	Intangible plant	7,524	-	-	-	7,524
3	303	Land	48,697	-	-	-	48,697
4		Total non-depreciable plant	56,221	-	-	-	56,221
5		DEPRECIABLE PLANT					
6	304	Structures	32,506	957	-	-	33,463
7	307	Wells	241,629	35,894	-	197,758	475,281
8	317	Other water source plant	9,339	-	-	-	9,339
9	311	Pumping equipment	173,579	-	-	-	173,579
10	320	Water treatment plant	-	-	-	-	-
11	330	Reservoirs, tanks and sandpipes	93,846	-	-	-	93,846
12	331	Water mains	477,426	16,158	-	-	493,584
13	333	Services and meter installations	469,863	12,773	-	-	482,636
14	334	Meters	356,451	7,793	-	-	364,244
15	335	Hydrants	27,224	-	-	-	27,224
16	339	Other equipment	37,464	-	-	-	37,464
17	340	Office furniture and equipment	9,067	4,371	-	-	13,438
18	341	Transportation equipment	36,312	-	-	-	36,312
19		Total depreciable plant	1,964,706	77,946	-	197,758	2,240,410
20		Total water plant in service	2,020,927	77,946	-	197,758	2,296,631

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

Column (e) adjustments: Well in Process (#6) put into service 9/23/2008.

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	N/A			
2				
3				
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	N/A	
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	-

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	382,770	N/A	N/A
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	39,078		
4	(b) Charged to Account No 272	13,486		
5	(c) Charged to clearing accounts	-		
6	(d) Salvage recovered	-		
7	(e) All other credits (Footnote 2)	-		
8	Total Credits	52,564		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	-		
11	(b) Cost of removal	-		
12	(c) All other debits (Footnote 3)	-		
13	Total debits	-		
14	Balance in reserve at end of year	435,334	-	-
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			2.5%
16				
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS:			
24				
25				
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	10,282	825	-	-	11,107
2	307	Wells	65,802	8,961	-	-	74,763
3	317	Other water source plant	3,000	233	-	-	3,233
4	311	Pumping equipment	55,303	4,339	-	-	59,642
5	320	Water treatment plant	-	-	-	-	-
6	330	Reservoirs, tanks and sandpipes	30,119	2,346	-	-	32,465
7	331	Water mains	19,136	12,138	-	-	31,274
8	333	Services and meter installations	95,562	11,906	-	-	107,468
9	334	Meters	74,545	9,009	-	-	83,554
10	335	Hydrants	8,518	681	-	-	9,199
11	339	Other equipment	9,271	937	-	-	10,208
12	340	Office furniture and equipment	7,151	281	-	-	7,432
13	341	Transportation equipment	4,081	908	-	-	4,989
14		Total	382,770	52,564	-	-	435,334

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

Line No.	Item (a)	Amount (b)
1	Employee advances	7,379
2	Payroll tax overpayment receivable	-
3	State Compensation Insurance Fund deposit	1,288
4	Prepaid insurance	8,778
5	Prepaid property tax	4,524
6		
7		
8		
9		
10	Total	21,969

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	N/A								
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28	Total								0

SCHEDULE A-6
Account Nos. 201 and 204 - Capital Stock

Line No.	Class of Stock (a)	Date of Issue (b)	Number of Shares Authorized by Articles of Incorporation (c)	Par or Stated Value (d)	Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Common	4/1/1980		\$ 1.00	100,000	\$ 100,000		None
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 (b)	Name (c)	Number of Shares (d)
1	Kathleen Ann Hill	25,000	None	
2	Mary Lee Nicholds	25,000		
3	David L. Walker	25,000		
4	Derald R. Walker	25,000		
5				
6				
7	Total number of shares	100,000	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	Other Paid-In Capital	131,522
2		
3		
4	Total	131,522

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

Line No	Item (a)	Amount (b)
1	Balance beginning of year	656,703
2	CREDITS	
3	Net income	131,716
4	Prior period adjustments	-
5	Other credits (detail)	
6	Total credits	131,716
7		
8	DEBITS	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13		
14	Total debits	-
15	Balance end of year	788,419

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	N/A
3	Net income	
4	Additional investments during year	
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	N/A									
2										
3										
4										
5										
6	Total									

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	N/A				
2					
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	N/A				
2					
3					
4	Totals	-			

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

Line No.	Description (a)	Balance End of Year (b)
1	Payroll taxes payable	839
2		
3		
4		
5	Totals	839

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

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	XXXXXXXXXXXXXXXXXX	194,692
2	Additions during year	XXXXXXXXXXXXXXXXXX	-
3	Subtotal - Beginning balance plus additions during year	XXXXXXXXXXXXXXXXXX	194,692
4	Charges during year:	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
5	Refunds	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
6	Percentage of revenue basis	-	XXXXXXXXXXXXXXXXXX
7	Proportionate cost basis	-	XXXXXXXXXXXXXXXXXX
8	Present worth basis	-	XXXXXXXXXXXXXXXXXX
9	Total refunds	-	XXXXXXXXXXXXXXXXXX
10	Transfers to Acct. 271, Contributions in aid of Construction	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
11	Due to expiration of contracts	-	XXXXXXXXXXXXXXXXXX
12	Due to present worth discount	-	XXXXXXXXXXXXXXXXXX
13	Total transfers to Acct. 271	-	XXXXXXXXXXXXXXXXXX
14	Securities Exchanged for Contracts (Enter detail below)	-	XXXXXXXXXXXXXXXXXX
15	Subtotal - charges during year	-	-
16	Balance end of year	XXXXXXXXXXXXXXXXXX	194,692

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	Deferred income tax - federal:	N/A		N/A
2	Pre-2006	-	18,628	-
3	2006	-	29,377	-
4	2007	-	28,252	-
5	2008		17,761	
6				
7	Deferred franchise tax - California:	-		-
8	2007	-	10,906	-
9	2008	-	6,206	-
10				
11				
12	Totals	-	111,130	-

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 ²	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 ³
			Depreciable (c)	Non-Depreciable ¹ (d)		
1	Balance beginning of year	429,737	429,737	N/A	N/A	N/A
2	Add: Credits to account during year	-				
3	Contributions received during year	38,450	38,450			
4	Other credits*	-				
5	Total credits	38,450	38,450			
6	Deduct: Debits to Account during year	-				
7	Depreciation charges for year	13,486	13,486			
8	Nondepreciable donated property retired	-				
9	Other debits*	-				
10	Total debits	13,486	13,486			
11	Balance end of year	454,701	454,701			

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

<u>COLUMN C DETAIL</u>	<u>CIAC</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Balance beginning of year	520,206	(90,469)	429,737
Contributions received during year	38,450		38,450
Depreciation charges for year		(13,486)	(13,486)
Balance end of year	<u>558,656</u>	<u>(103,955)</u>	<u>454,701</u>

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	7,768	17,409	(9,641)
4		460.2 Commercial and multi-residential	464	1,125	(661)
5		460.3 Large water users		-	-
6		460.5 Safe Drinking Water Bond Surcharge		-	-
7		460.9 Other unmetered revenue	17	-	17
8		Sub-total	8,249	18,534	(10,285)
9	462	Fire protection revenue			
10		462.1 Public fire protection			-
11		462.2 Private fire protection			-
12		Sub-total	-	-	-
13	465	Irrigation revenue			
14	470	Metered water revenue			
15		470.1 Single-family residential	546,086	526,550	19,536
16		470.2 Commercial and multi-residential	93,083	82,129	10,954
17		470.3 Large water users	154	-	154
18		470.5 Safe Drinking Water Bond Surcharge		-	-
19		470.9 Other metered revenue		-	-
20		Sub-total	639,323	608,679	30,644
21		Total water service revenues	647,572	627,213	20,359
22	480	Other water revenue	300	-	300
23		Total operating revenues	647,872	627,213	20,659

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding 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	17,002	14,045	2,957
4	615	Power	66,639	60,512	6,127
5	616	Other volume related expenses	3,602	2,670	932
6		Total volume related expenses	87,243	77,227	10,016
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor	77,471	63,184	14,287
9	640	Materials	6,103	2,126	3,977
10	650	Contract work	14,642	9,696	4,946
11	660	Transportation expenses	11,400	23,735	(12,335)
12	664	Other plant maintenance expenses	23,744	28,167	(4,423)
13		Total non-volume related expenses	133,360	126,908	6,452
14		Total plant operation and maintenance exp.	220,603	204,135	16,468
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	60,924	56,742	4,182
17	671	Management salaries	97,851	99,981	(2,130)
18	674	Employee pensions and benefits	36,181	24,738	11,443
19	676	Uncollectible accounts expense	9,790	7,441	2,349
20	678	Office services and rentals	5,263	4,765	498
21	681	Office supplies and expenses	16,519	18,188	(1,669)
22	682	Professional services	18,736	22,271	(3,535)
23	684	Insurance	29,228	15,209	14,019
24	688	Regulatory commission expense	22,333	3,980	18,353
25	689	General expenses	1,704	30,641	(28,937)
26		Total administrative and general expenses	298,529	283,956	14,573
27	800	Expenses capitalized	(108,224)	(39,863)	(68,361)
28		Net administrative and general expense	190,305	244,093	(53,788)
29		Total operating expenses	410,908	448,228	(37,320)

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	3,551	3,551	-
2	State corporate franchise tax	9,725	9,725	-
3	State unemployment insurance tax	575	575	-
4	Other state and local taxes	90	90	-
5	Federal unemployment insurance tax	400	400	-
6	Federal insurance contributions act	18,073	18,073	-
7	Other federal taxes	-	-	-
8	Federal income taxes	30,914	30,914	-
9		-		
10		-		
11	Totals	63,328	63,328	-

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	131,716
2	Reconciling amounts (list first additional income and unallowable deductions,	
3	followed by additional deductions and non-taxable income):	
4		
5		
6		
7		
8		
9		
10	Federal tax net income	
11	Computation of tax:	
12		
13		
14		
15		
16		
17		

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 income	261	
2	Miscellaneous non-utility expense		3,045
3			
4			
5	Total	261	3,045

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Internal Revenue Service	12
2	California Franchise Tax Board	8
3	Merced Irrigation District	38
4		
5		
6		
7		
8		
9		
10	Total	58

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	2	41564	33467	75,031
2	670	Office salaries	2	63364	0	63,364
3	671	Management salaries	1	48925	48925	97,850
4						-
5						-
6		Total	5	153,853	82,392	236,245

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	David Walker	CEO	7,966	Note D				
2								
3								
4								
5								
6								
7	Total		7,966					

Note D: Short-term loan included as Employee Advances on Schedule A-4 - A/C 174 Other Current Assets

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) N/A	
3	(If the answer is in the affirmative, make appropriate replies to the following questions)*	
4	2. Name of each organization or person that was a party to such a contract or agreement.	
5		
6	3. Date of original contract or agreement.	
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	
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.		

**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	N/A								
2									
3									
4									
5									
WELLS						Pumping Capacity (GPM) 2	Annual Quantities Pumped (Cubic Ft) 2	Remarks	
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water				
6	Well No. 2	Fir/Maple		14"	54'	850	180,800	OOS 3/08	
7	Well No. 4	Santa Fe		16"	62'	1800	14,245,358		
8	Well No. 5	Balsam/Poplar		16"	55'	875	31,506,244		
9	Well No. 6	Meadowbrook		16"	51'	600	12,915,807	IS 9/08	
10									
TUNNELS AND SPRINGS				FLOW IN (Unit) 2			Annual Quantities Pumped (Unit) 2	Remarks	
Line No.	Designation	Location	Number	Maximum	Minimum				
11	N/A								
12									
13									
14									
15									
Purchased Water for Resale									
16	Purchased from	N/A							
17	Annual Quantities purchased					(Unit chosen) 1			
18									
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		198,000	Pressure tanks in gallons @ full capacity
12	Concrete			
13	Totals			198,000

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 N/A								
2	Flume								
3	Lined conduit								
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 N/A								
7	Flume								
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						5,250		18,375	3,150
19	Welded steel									
20	Other (C-200)									2,700
21	Other (C-900)								14,438	48,120
22	Totals	-	-	-	-	-	5,250	-	32,813	53,970

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
23	Cast Iron		825						825
24	Cast iron (cement lined)								-
25	Concrete								-
26	Copper								-
27	Riveted steel								-
28	Standard screw								-
29	Screw or welded casing								-
30	Cement - asbestos								-
31	Welded steel								-
32	Wood								-
33	Other (C-900)	7,350	825						8,175
34	Totals	7,350	1,650	-	-	-	-	-	100,208

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

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior	Current	Prior	Current
	Year	Year	Year	Year
Single family residential	1,479	1,480	25	1
Commercial and Multi-residential	56	55	3	-
Large water users				
Public authorities				
Industrial				
Irrigation				
Other (specify)				
Subtotal	1,535	1,535	28	1
Private fire connections				
Public fire hydrants				
Total	1,535	1,535	28	1

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

Size	Meters	Services
5/8 x 3/4 - in	1,465	xxxxxxxxxxxx
3/4 - in	4	
1 - in	42	
1-1/2 in	4	
2 - in	10	
3 - in	3	
4 - in	7	
- in		
Other		
Total	1,535	

**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	1
4. Found fast, requiring billing adjustment	-
B. Number of Meters in Service Since Last Test:	
1. Ten years or less	-
2. More than 10, but less than 15 years	-
3. More than 15 years	-

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

Classification of Service	During Current Year							Subtotal
	January	February	March	April	May	June	July	
Single-family residential	1,905,019	1,593,766	2,075,867	3,250,015	4,386,515	5,018,496	5,710,158	23,939,834
Commercial and Multi-residential	485,668	397,758	484,952	415,430	1,324,851	1,278,986	1,507,143	5,894,788
Large water users								
Public authorities								
Irrigation								
Other (specify)								
Total	2,390,687	1,991,524	2,560,819	3,665,445	5,711,366	6,297,482	7,217,299	29,834,622
Classification of Service	During Current Year						Total Prior Year	
	August	September	October	November	December	Subtotal		
Single-family residential	4,741,076	4,742,516	3,734,975	2,168,255	2,276,073	17,662,695	41,602,729	
Commercial and Multi-residential	1,150,270	1,201,707	1,073,644	575,760	656,567	4,657,948	10,552,736	
Large water users								
Public authorities								
Irrigation								
Other (specify)								
Total	5,891,346	5,944,223	4,808,619	2,744,015	2,932,640	22,320,643	52,155,465	

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

Total acres irrigated: None

Total population served: 5,500

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