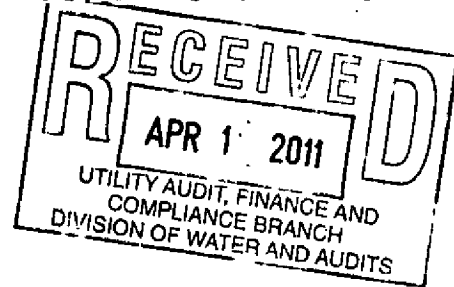


Received _____
Examined _____

CLASS B and C
WATER UTILITIES

U# 120



2010
ANNUAL REPORT
OF

ALTOS SONOMA CORPORATION

PENNGROVE 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, 2010

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2010

PENNGROVE WATER COMPANY 2010 ANNUAL REPORT

Account Number	Operating Revenue	
470	Metered	\$856,365
460	Unmetered	\$27
465	Irrigation	\$0
462-480	Private Fire Protection	\$2,160
	Total Revenue	\$858,552
	Operating Expenses	
610	Purchased Water	\$141,010
615	Purchased Power	\$10,854
	Pump Taxes	\$0
	Purchased Chemicals	\$1,649
618	Other Volumn Related Expenses	\$0
630	Employee Labor	\$73,218
640	Materials	\$11,776
650	Contract Work	\$6,365
	Water Testing	\$9,734
660	Transportation	\$8,257
664	Other Plant Maintenance	\$3,165
670	Office Salaries	\$34,900
671	Management Salaries	\$94,901
674	Employee Pensions and Benefits	\$53,108
676	Uncollectables	\$2,213
678	Office Service and Rentals	\$7,452
681	Office Supplies and Expense	\$14,626
682	Professional Services	\$5,840
684	Insurance	\$18,143
688	Regulatory Expense	\$0
689	General Expense	\$1,843
	Subtotal	\$499,054
403	Depreciation Expense	\$52,671
	Ad Valorem Taxes	\$15,440
	Payroll Taxes	\$17,488
408	Taxes Other Than Income	\$0
409	State Income Tax	\$22,217
410	Federal Income Tax	\$77,867
	Total Deductions	\$684,738
	Net Revenue	\$173,814

PENGROVE WATER COMPANY 2010 ANNUAL REPORT

Rate Base

Average Plant	\$4,387,650
Net Plant	\$3,575,507
Less: Advances	(\$20,716)
Less: Contributions Average Net	(\$1,816,751)
Plus: Construction Work in Progress	\$107,009
Plus: Working Cash	\$40,791
Plus: Materials & Supplies	\$5,238
Rate Base	\$1,891,077
Rate of Return	9.19%

TABLE OF CONTENTS

	<u>Page</u>
General Instructions	3
Instructions for Preparation of Selected Financial Data Sheet for All Water Utilities	4
General Information	5
Balance Sheet Data and Capitalization	6
Income Statement and Other Related Data	7
Excess Capacity and Non-Tariffed Services	8
Schedule A - Comparative Balance Sheet	9-10
Schedule A-1 - Utility Plant	11
Schedule A-1a - Account No. 101 - Water Plant in Service	11
Schedule A-1b - Account No. 103 - Water Plant Held for Future Use	12
Schedule A-2 - Account No. 121 - Non-Utility Property and Other Assets	12
Schedule A-3 - Account Nos. 108 and 122 - Depreciation and Amortization Reserves	13
Schedule A-3a - Account No. 108 - analysis of Entries in Depreciation Reserve	14
Schedule A-4 - Account No. 174 - Other Current Assets	14
Schedule A-5 - Account Nos. 180 and 253 - Unamortized Debt Discount and Expense and Unamortized Premium on Debt	15
Schedule A-6 - Account Nos. 201 and 204 - Capital Stock	16
Schedule A-7 - Record of Stockholders at End of Year	16
Schedule A-8 - Account No. 211 - Other Paid in Capital (Corporations Only)	16
Schedule A-9 - Account No. 215 - Retained Earnings (Corporations Only)	17
Schedule A-10 - Account No. 218 - Proprietary Capital (Sole Proprietor or Partnership)	17
Schedule A-11 - Account No. 224 - Long-Term Debt	18
Schedule A-12 - Account No. 225 - Advances from Associated Companies	18
Schedule A-13 - Account No. 235 - Payables to Associated Companies	18
Schedule A-14 - Account No. 241 - Other Current Liabilities	19
Schedule A-15 - Account No. 252 - Advances for Construction	19
Schedule A-16 - Account Nos. 255, 282, and 283 - Deferred Taxes	19
Schedule A-17 - Account No. 271 - Contributions in Aid of Construction	20
Schedule B - Water Plant In Service	21
Schedule B-1 - Account No. 400 - Operating Revenues	22
Schedule B-2 - Account No. 401 - Operating Expenses	23
Schedule B-3 - Account No. 408, 409, 410 - Taxes Charged During the Year	24
Schedule B-4 - Reconciliation of Reported Net Income for Federal Income Taxes	24
Schedule B-5 - Account Nos. 421 and 426 - Income from Non-Utility Operations	25

TABLE OF CONTENTS

	<u>Page</u>
Schedule B-6 - Account No. 427 - Interest Expense	25
Schedule C-1 - Compensation of Individual Proprietor, Partners and Employees Included in Expenses	25
Schedule C-2 - Loans to Directors, Officers, or Shareholders	26
Schedule C-3 - Engineering and Management Fees and Expenses, Etc., During Year	26
Schedule D-1 - Sources of Supply and Water Developed	27
Schedule D-2 - Description of Storage Facilities	27
Schedule D-3 - Description of Transmission and Distribution Facilities	28
Schedule D-4 - Number of Active Service Connections	29
Schedule D-5 - Number of Meters and Services on Pipe Systems at End of Year	29
Schedule D-6 - Meter Testing Data	29
Schedule D-7 - Water Delivered to Metered Customers	29
Schedule D-8 - Status With State Board of Public Health	30
Schedule D-9 - Statement of Material Financial Interest	30
Safe Drinking Water Bond Act / State Revolving Fund Data	31-32
Facility Fees Data	33
Declaration	34
Index	35

GENERAL INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2011**, with:

CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS
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 Page 34, must be signed by an authorized 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. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2010, through December 31, 2010. Fiscal year reports will not be accepted.

INSTRUCTIONS

FOR PREPARATION OF SELECTED FINANCIAL DATA SHEET FOR ALL 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 instructions 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: **PENNGROVE WATER COMPANY**

2 Official mailing address: **4984 SONOMA HIGHWAY**
SANTA ROSA, CALIF. 95409

3 Name and title of person to whom correspondence should be addressed:
KAREN L. BALL, MANAGER Telephone: **(707) 539-6397**

4 Address where accounting records are maintained: **4984 SONOMA HIGHWAY,**
SANTA ROSA, CALIF. 95409

5 Service Area (Refer to district reports if applicable):
PENNGROVE AND VICINITY, SONOMA COUNTY

6 Service Manager (If located in or near Service Area.) (Refer to district reports if applicable.)
Name: _____
Address: _____ Telephone: _____

7 OWNERSHIP. Check and fill in appropriate line:

<input type="checkbox"/>	Individual (name of owner) _____
<input type="checkbox"/>	Partnership (name of partner) _____
<input type="checkbox"/>	Partnership (name of partner) _____
<input type="checkbox"/>	Partnership (name of partner) _____
<input checked="" type="checkbox"/>	Corporation (corporate name) ALTOS SONOMA CORPORATION

Organized under laws of (state) **CALIF.** Date: _____ **1995**

Principal Officers:

(Name)	James B. Downey	(Title)	President
(Name)	Kathleen S. Downey	(Title)	Secty, Treas.
(Name)	_____	(Title)	_____
(Name)	_____	(Title)	_____

8 Names of associated companies: _____

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:

_____	Date: _____
_____	Date: _____
_____	Date: _____
_____	Date: _____

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

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

Karen L. Ball T-2 16977
Troy Bathke T-2,23410, D-2,27267
Danney McVay II T-2 23283, D-3 16603

BALANCE SHEET AND CAPITALIZATION DATA

Calendar Year 2010

NAME OF UTILITY PENNGROVE WATER COMPANY

PHONE 707 539-6397

PERSON RESPONSIBLE FOR THIS REPORT Karen L. Ball

	<u>1/1/10</u>	<u>12/31/10</u>	<u>Average</u>
BALANCE SHEET DATA			
1 Intangible Plant	0	0	0
2 Land and Land Rights	4000	4000	4000
3 Depreciable Plant	4327714	4439586	4383650
4 Gross Plant in Service	4331714	4443586	4387650
5 Less: Accumulated Depreciation	763769	860517	812143
6 Net Water Plant in Service	3567945	3583069	3575507
7 Water Plant Held for Future Use	6352	6352	6352
8 Construction Work in Progress	0	214017	107009
9 Materials and Supplies	7276	3199	5238
10 Less: Advances for Construction	(22186)	(19246)	(20716)
11 Less: Contribution in Aid of Construction	(1837972)	(1795530)	(1816751)
12 Less: Accumulated Deferred Income and Investment Tax Credits	()	0	0
13 Net Plant Investment	1721415	1991861	1856638
CAPITALIZATION			
14 Common Stock	0		0
15 Proprietary Capital (Individual or Partnership)	0		0
16 Paid-in Capital	0		0
17 Retained Earnings	1881995	2044978	1963487
18 Common Stock and Equity (Lines 14 through 17)	0		0
19 Preferred Stock	0		0
20 Long-Term Debt	0		0
21 Notes Payable	0		0
22 Total Capitalization (Lines 18 through 21)	1881995	2044978	1963487

INCOME STATEMENT AND OTHER DATA

Calendar Year 2010

NAME OF UTILITY PENNGROVE WATER COMPANY

PHONE 707 539-6397

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	2160
24 Fire Protection Revenue	0
25 Irrigation Revenue	858552
26 Metered Water Revenue	499054
27 Total Operating Revenue	52671
28 <u>Operating Expenses</u>	15440
29 Depreciation Expense (Composite Rate <u>2.42%</u>)	17488
30 Amortization and Property Losses	584653
31 Property Taxes	22217
32 Taxes Other Than Income Taxes	77867
33 Total Operating Revenue Deduction Before Taxes	684738
34 California Corp. Franchise Tax	173814
35 Federal Corporate Income Tax	
36 Total Operating Revenue Deduction After Taxes	
37 Net Operating Income (Loss) - California Water Operations	
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	
39 Income Available for Fixed Charges	
40 Interest Expense	
41 Net Income (Loss) Before Dividends	
42 Preferred Stock Dividends	
43 Net Income (Loss) Available for Common Stock	
OTHER DATA	
44 Refunds of Advances for Construction	-2940
45 Total Payroll Charged to Operating Expenses	203019
46 Purchased Water	141010
47 Power	10854

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		651	686	669
49 Flat Rate Service Connections		651	686	669
50 Total Active Service Connections		651	686	669

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 company's 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 2010:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter											
Row Number	Description of Non-Tariffed Goods/Services	Active or Passive	Total Revenue Derived from Non-tariffed Goods/Services (by account)	Revenue Account Number	Total Expenses Incurred to Provide Non-tariffed Goods/Services (by account)	Expense Account Number	Advice Letter and/or Resolution Number Approving Non-tariffed Goods/Services	Total Income Tax Liability Incurred Because of Non-tariffed Goods/Services (by account)	Income Tax Liability Account Number (by account)	Gross Value of Regulated Assets Used in the Provision of a Non-tariffed Goods/Services (by account)	Regulated Asset Account Number
-											
-											
-											

**SCHEDULE A
COMPARATIVE BALANCE SHEET
Assets and Other Debits**

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)	Balance Beginning of Year (d)
UTILITY PLANT					
1	101	Water plant in service	A-1	4443586	4331714
2	103	Water plant held for future use	A-1 & A-1b	6352	6352
3	104	Water plant purchased or sold	A-1	0	0
4	105	Water plant construction work in progress	A-1	214017	0
5		Total utility plant		4663955	4338066
6	106	Accumulated depreciation of water plant	A-3	(860517)	(763769)
7	114	Water plant acquisition adjustments	A-1	0	0
8		Total amortization and adjustments			
9		Net utility plant		3803438	3574297
INVESTMENTS					
10	121	Non-utility property and other assets			
11	122	Accumulated depreciation of non-utility property	A-3		
12		Net non-utility property			
13	123	Investments in associated companies			
14	124	Other investments			
15		Total investments			
CURRENT AND ACCRUED ASSETS					
16	131	Cash		55774	89586
17	132	Special accounts		113	78794
18	141	Accounts receivable - customers		80981	90933
19	142	Receivables from associated companies			0
20	143	Accumulated provision for uncollectible accounts			0
21	151	Materials and supplies		3199	7276
22	174	Other current assets			
23		Total current and accrued assets		140067	266589
24	180	Deferred charges	A-5		
25		Total assets and deferred charges		3943505	3840886

SCHEDULE A
COMPARATIVE BALANCE SHEET
Liabilities and Other Credits

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)	Balance Beginning of Year (d)
CORPORATE CAPITAL AND SURPLUS					
1	201	Common stock	A-6		
2	204	Preferred stock	A-6		
3	211	Other paid-in capital	A-8		
4	215	Retained earnings	A-9	2044978	1881995
5		Total corporate capital and retained earnings			
PROPRIETARY CAPITAL					
6	218	Proprietary capital	A-10		
7	218.1	Proprietary drawings			
8		Total proprietary capital		2044978	1881995
LONG TERM DEBT					
9	224	Long term debt	A-11	5564	8647
10	225	Advances from associated companies	A-12		
CURRENT AND ACCRUED LIABILITIES					
11	231	Accounts payable		77987	89886
12	232	Short term notes payable			0
13	233	Customer deposits		200	200
14	235	Payables to associated companies	A-13		0
15	236	Accrued taxes			0
16	237	Accrued interest			0
17	241	Other current liabilities	A-14		0
18		Total current and accrued liabilities		83751	98733
DEFERRED CREDITS					
19	252	Advances for construction	A-15	19246	22186
20	253	Other credits			
21	255	Accumulated deferred investment tax credits	A-16		
22	282	Accumulated deferred income taxes - ACRS depreciation	A-16		
23	283	Accumulated deferred income taxes - other	A-16		
24		Total deferred credits		19246	22186
CONTRIBUTIONS IN AID OF CONSTRUCTION					
25	271	Contributions in aid of construction	A-17	2263079	2250754
26	272	Accumulated amortization of contributions		(467549)	(412782)
27		Net contributions in aid of construction		1795530	1837972
28		Total liabilities and other credits		3943505	3840886

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title 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	4331714	122562	(10690)		4443586
2	103	Water plant held for future use	6352				6352
3	104	Water plant purchased or sold			4		
4	105	Construction work in progress - water plant		214017			214017
5	114	Water plant acquisition adjustments					0
6		Total utility plant	4338066	336579	(10690)		4663955

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

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

Line No.	Acct No.	Title 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)
		NON-DEPRECIABLE PLANT					
1	301	Intangible plant	0				
2	303	Land	4000				4000
3		Total non-depreciable plant	0	0	0	0	4000
		DEPRECIABLE PLANT					
4	304	Structures	108390				108390
5	307	Wells	187759				187759
6	317	Other water source plant	116347				116347
7	311	Pumping equipment	165452				165452
8	320	Water treatment plant	6523				6523
9	330	Reservoirs, tanks and sandpipes	141005		5	10	141005
10	331	Water mains	2618631	51396	6 (4215)		2665812
11	333	Services and meter installations	536332	12205	7	11	548537
12	334	Meters	156285	27178		(6400)	177063
13	335	Hydrants	210806		8		210806
14	339	Other equipment	14189	29628	9	12	43817
15	340	Office furniture and equipment	35002	2155		(75)	37082
16	341	Transportation equipment	30993				30993
17		Total depreciable plant	4327714	122562	(10690)	0	4439586
18		Total water plant in service	4331714	122562	(10690)	0	4443586

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

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	tank site	1999		6352
2				
3				
4				
5				
6				
7				
8				
9				
10	Total			6352

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		
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	763769		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	52671		
4	(b) Charged to Account No 272	54767		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	871207		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	(10690)		
11	(b) Cost of removal			
12	(c) All other debits (Footnote 3)			
13	Total debits	(10690)		
14	Balance in reserve at end of year	860517		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			2.42%
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	X		
31	(b) Liberalized	[]		
32	(1) Sum of the years digits	[]		
33	(2) Double declining balance	[]		
34	(3) Other	[]		
35	(c) Both straight line and liberalized	[]		

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 Excluding Costs of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures	8374	2623			10997
2	307	Wells	5495	4544			10039
3	317	Other water source plant	13644	2816			16460
4	311	Pumping equipment	40022	4004			44026
5	320	Water treatment plant	1469	158			1627
6	330	Reservoirs, tanks and sandpipes	50787	3412			54199
7	331	Water mains	470408	64513	(4215)		530706
8	333	Services and meter installations	92487	13275			105762
9	334	Meters	22951	4285	(6400)		20836
10	335	Hydrants	38926	5102			44028
11	339	Other equipment	1504	1060			2564
12	340	Office furniture and equipment	11269	897	(75)		12091
13	341	Transportation equipment	6433	750			7183
14		Total	763769	107438	(10690)	0 0	860517

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

Line No.	Item (a)	Amount (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

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 Debts (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									
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									

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								
2								
3								
4								
5								
6								
7								
8							Total	

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK	Number of Shares (b)	PREFERRED STOCK	Number of Shares (d)
	Name (a)		Name (c)	
1				
2				
3				
4				
5				
6				
7				
8				
9				
10	Total number of shares		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		
2		
3		
4		
5		
6		
7		
8		Total

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

Line No	Item (a)	Amount (b)
1	Balance beginning of year	1881995
2	CREDITS	
3	Net income	173814
4	Prior period adjustments	
5	Other credits (detail)	
6	Total Credits	2055809
7		
8	DEBITS	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Alt Altos Sonoma Corporation	(10831)
14	Total Debits	(10831)
15	Balance end of year	2044978

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	
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)	Interest Rate (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1	vehicle		7-Sep	13-Sep	23051	5564	2.99			215
2										
3							3			
4										
5										
6										

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					
2					
3					
4					
5					
6	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					
2					
3					
4					
5					
6	Totals				

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

Line No.	Description (a)	Balance End-of-Year (b)
1		
2		
3		
4		
5	Total	

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

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year		22186
2	Additions during year		
3	Subtotal - Beginning balance plus additions during year		22186
4	Charges during year:		
5	Refunds		
6	Percentage of revenue basis	(2940)	
7	Proportionate cost basis		
8	Present worth basis		
9	Total refunds	(2940)	
10	Transfers to Acct. 271, Contributions in aid of Construction		
11	Due to expiration of contracts		
12	Due to present worth discount		
13	Total transfers to Acct. 271	0	
14	Securities Exchanged for Contracts (Enter detail below)		
15	Subtotal - charges during year	0	
16	Balance end of year		19246

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				
2				
3				
4				
5	Total			

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 non-depreciable 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 non-depreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such non-depreciable 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.		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 (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 ³ (f)
			Depreciable (c)	Non-Depreciable ¹ (d)		
1	Balance beginning of year	2,250,754				
2	Add: Credits to account during year					
3	Contributions revived during year	12,325				
4	Other credits*					
5	Total credits	2,263,079				
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	54,767				
8	Non-depreciable donated property retired					
9	Other debits* (acum dep)	412,782				
10	Total debits	467,549				
11	Balance end of year Net	1,795,530				

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

**SCHEDULE B
INCOME STATEMENT**

Line No.	Acct. No.	Account (a)	Schedule Number (b)	Amount (c)
UTILITY OPERATING INCOME				
1	400	Operating Revenues	B-1	858552
OPERATING REVENUE DEDUCTIONS				
2	401	Operating expenses	B-2	499054
3	403	Depreciation expense	A-3	52671
4	407	SDWBA loan amortization expense	pages 7 & 8	
5	408	Taxes other than income taxes	B-3	32928
6	409	State corporate income tax expense	B-3	22217
7	410	Federal corporate income tax expense	B-3	77867
8		Total operating revenue deductions		684738
9		Total utility operating income		173814
OTHER INCOME AND DEDUCTIONS				
10	421	Non-utility income	B-5	
11	426	Miscellaneous non-utility expense	B-5	
12	427	Interest expense	B-6	
13		Total other income and deductions		
14		Net income		173814

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 (Parenthesis) (d)
WATER SERVICE REVENUES					
1	460	Unmetered water revenue			
2		460.1 Single - family residential		0	0
3		460.2 Commercial and multi-residential		0	0
4		460.3 Large water users		0	0
5		460.5 Safe Drinking Water Bond Surcharge		0	0
6		460.9 Other unmetered revenue	27	0	27
7		Sub-total	27	0	27
8	462	Fire protection revenue			
9		462.1 Public fire protection			
10		462.2 Private fire protection	2160	1296	864
11		Sub-total	2160	1296	864
12	465	Irrigation revenue			
13	470	Metered water revenue			
14		470.1 Single-family residential	776208	776826	-618
15		470.2 Commercial and multi-residential	42712	43955	-1243
16		470.3 Large water users	37445	40643	-3198
17		470.5 Safe Drinking Water Bond Surcharge		0	0
18		470.9 Other metered revenue		0	0
19		Sub-total	856365	861424	-5059
20		Total water service revenues		862720	-4168
21	480	Other water revenue			
22		Total operating revenues	858552	862720	-4168

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 (Parenthesis) (d)
PLANT OPERATION AND MAINTENANCE EXPENSES					
VOLUME RELATED EXPENSES					
1	610	Purchased water	\$141,010	\$133,560	\$7,450
2	615	Power	\$10,854	\$8,714	\$2,140
3	616	Other volume related expenses	\$1,649	\$1,073	\$576
4		Total volume related expenses	\$153,513	\$143,347	\$10,166
NON-VOLUME RELATED EXPENSES					
5	630	Employee labor	\$77,815	\$78,017	(\$202)
6	640	Materials	\$11,776	\$19,135	(\$7,359)
7	650	Contract work	\$16,099	\$14,467	\$1,632
8	660	Transportation expenses	\$8,257	\$9,837	(\$1,580)
9	664	Other plant maintenance expenses	\$3,165	\$2,272	\$893
10		Total non-volume related expenses	\$117,112	\$123,728	(\$6,616)
11		Total plant operation and maintenance exp.	\$270,625	\$267,075	\$3,550
ADMINISTRATIVE AND GENERAL EXPENSES					
12	670	Office salaries	\$34,900	\$31,378	\$3,522
13	671	Management salaries	\$94,901	\$85,971	\$8,930
14	674	Employee pensions and benefits	\$53,108	\$48,947	\$4,161
15	676	Uncollectible accounts expense	\$2,213	\$1,252	\$961
16	678	Office services and rentals	\$7,452	\$7,344	\$108
17	681	Office supplies and expenses	\$14,626	\$13,075	\$1,551
18	682	Professional services	\$5,840	\$11,196	(\$5,356)
19	684	Insurance	\$18,143	\$17,745	\$398
20	688	Regulatory commission expense		\$0	\$0
21	689	General expenses	\$1,843	\$3,056	(\$1,213)
22		Total administrative and general expenses	\$233,026	\$219,964	\$13,062
23	800	Expenses capitalized	(\$4,597)	(\$7,105)	\$2,508
24		Net administrative and general expense	\$228,429	\$212,859	\$15,570
25		Total operating expenses	\$499,054	\$479,934	\$19,120

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	15440		
2	State corporate franchise tax	22,217		
3	State unemployment insurance tax	1081		
4	Other state and local taxes			
5	Federal unemployment insurance tax	391		
6	Federal insurance contributions act	16016		
7	Other federal taxes			
8	Federal income taxes	77,867		
9	Total	133013		

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 amount 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	
2	Reconciling amounts (list first additional income and unallowable deductions,	
3	followed by additional deductions and non-taxable income):	
4		
5	Please see following sheet for income tax calculation.	
6		
7		
8		
9		
10	Federal tax net income	
11	Computation of tax:	
12		
13		
14		
15		
16		
17		

SCHEDULE B-5			
Accounts No. 421 and 426 - Income from Nonutility Operations			
Line No.	Description (a)	Revenue Acct. 421 (b)	Expense Acct. 426 (c)
1			
2			
3			
4			
5	Total		

SCHEDULE B-6		
Account No. 427 - Interest Expense		
Line No.	Description (a)	Amount (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	

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	\$73,218	\$4,597	\$77,815
2	670	Office salaries	1	\$34,900		\$34,900
3	671	Management salaries	2	\$94,901		\$94,901
4						
5						
6		Total	5	\$203,019	\$4,597	\$207,616

Income Tax Calculation 2010

Resolution W-4443 states that Kenwood Village Water Company is considered a Class C Utility for the purposes of ratemaking, by virtue of its common ownership with Penngrove Water Company. Therefore Penngrove and Kenwood Water Company are considered combined for the purposes of taxation.

	Penngrove		Kenwood
Gross Income	858,552		298,511
Expenses	(499,054)		(182,204)
Depreciation	(52,671)		(14,079)
Pay/Prop. Tax	(32,928)		(9,621)
 Taxable Income	 273,899		 92,607
 Total Taxable		 366,506	
State Income Tax Multiplier		8.84%	
Total State Income Tax		32,399	
Split State Income Tax	22,217		10,182
 Federal Taxable Income		 334,107	
1st 100K Taxes		22,250	
1st 100K Taxes Split	15,258		6,992
 Federal Income @ Highest Bracket		 234,107	
Federal Tax Rate for Highest Bracket		39.00%	
Federal Tax @ Highest Bracket		91,302	
Federal Tax Split @ Highest i	62,609		28,692
 Total Federal Taxes	 77,867		 35,684

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								
2								
3								
4								
5								
6								
7		Total						

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: No
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									
2									
3									
4									
5									
WELLS						Pumping Capacity (Unit) ²	Annual Quantities Pumped CCF	Remarks	
Line No.	At Plant (Name or Number)	Location	No.	Dimensions	Depth to Water ¹				
6	Canon Manor		1	12" x 466'	212'	250 GPM	12873		
7	Canon Manor		2	12" x 440'	220'	200 GPM	10643		
8									
9									
10							23.716	Total:	
TUNNELS AND SPRINGS				FLOW IN (Unit) ²			Annual Quantities Pumped (Unit) ²	Remarks	
Line No.	Designation	Location	Number	Maximum	Minimum				
11									
12									
13									
14									
15									
Purchased Water for Resale									
16	Purchased from Sonoma County Water Agency								
17	Annual Quantities purchased	78,253					(Unit chosen) ¹	CCF	
18									
19									
<p>* State ditch pipeline reservoir, etc., with name, if any.</p> <p>1 Average depth to water surface below ground surface</p> <p>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>									101,969

SCHEDULE D-2					
Description of Storage Facilities					
Line No	Type	No.	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	1	212000	Gal	
12	Concrete				
13	Total		212000	Gal	

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.	Description	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								
2	Flume								
3	Lined conduit								
4									
5	Total								

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES (Continued)									
Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____									
Line No.	Description	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								
7	Flume								
8	Lined conduit								
9									
10	Total								

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING										
Line No.	Description	1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron									80
12	Cast iron (cement lined)								54	
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw			5755	5082		380			
17	Screw or welded casing									
18	Cement - asbestos						2365		29162	
19	Welded steel									
20	Wood									
21	C-900 Plastic			2390	300		1929		25311	23392
22	Total	0	0	8145	5382	0	4674	0	54527	23472

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - (Continued)										
Line No.	Description	10	12	14	16	18	20	Other Sizes (Specify)	Total All Sizes	
23	Cast Iron									80
24	Cast iron (cement lined)									54
25	Concrete									0
26	Copper									0
27	Riveted steel									0
28	Standard screw									11217
29	Screw or welded casing									0
30	Cement - asbestos									31527
31	Welded steel	2420								2420
32	Wood									0
33	C-900 Plastic	2576								55898
34	Total	4996	0	0	0	0	0	0	0	101196

SCHEDULE D-4 Number of Active Service Connections				
Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
	Single family residential	626	661	
Commercial and Multi-residential	20	20		
Large water users	5	5		
Public authorities	0			
Industrial	0			
Irrigation	0			
Other (specify)	0			
Subtotal	651	686		
Private fire connections	5	5		
Public fire hydrants	92	92		
Total	748	783		

SCHEDULE D-5 Number of Meters and Services on Pipe Systems at End of Year		
Size	Meters	Services
5/8 x 3/4 - in	613	
3/4 - in		
1 - in	85	
2 - in	5	
- in		
- in		
- in		
- in		
Other		
Total	703	

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 . . .	80 meters
2. Used, before repair	replaced
3. Used, after repair	during
4. Found fast, requiring billing adjustment	year
B. Number of Meters in Service Since Last Test	
1. Ten years or less	601
2. More than 10, but less than 15 years	80
3. More than 15 years	5

SCHEDULE D-7									
	During Current Year							Subtotal	Total
	January	February	March	April	May	June	July		
Single-family residential	5208	5095	5631	5608	6881	11068	11554	51045	
Commercial and Multi-residential	2	2	2	3	3	3	3	18	
Large water users	60	60	134	400	450	1299	1750	4153	
Public authorities								0	
Irrigation								0	
Other (specify)								0	
Total	5270	5157	5767	6011	7334	12370	13307	55216	
	During Current Year						Subtotal	Total	Total Prior Year
	August	September	October	November	December				
Single-family residential	11240	9436	6678	4551	4362	36267	87312	93049	
Commercial and Multi-residential	3	3	2	2	2	12	30	30	
Large water users	1777	1590	900	253	255	4775	8928	9310	
Public authorities						0	0	0	
Irrigation						0	0	0	
Other (specify)						0	0	0	
Total	13020	11029	7580	4806	4619	41054	96270	102389	

¹ Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated _____ Total population served: ~1800

**FOR ALL 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: _____
 Address: _____
 Phone Number: _____
 Account Number: _____
 Date Hired: _____

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 inch	_____	_____
	1 1/2 inch	_____	_____
	2 inch	_____	_____
	3 inch	_____	_____
	4 inch	_____	_____
	6 inch	_____	_____
	Number of Flat Rate Customers	_____	_____
	Total	_____	_____

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
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:

FOR ALL WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (Continued)

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					
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					

FACILITIES FEES DATA

Class B: Please provide the following information relating to Facilities Fees for districts or subsidiaries serving 2,000 or fewer customers for the calendar year (per D.91-04-068).

Class C: 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:	Box 14489 Santa Rosa, Calif. 95404
Account Number:	101108652
Date Opened:	1/1/2007

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

A. Commercial

NAME	AMOUNT
	\$
	\$
	\$
	\$

B. Residential

NAME Please see attached Facility Fee List	AMOUNT
	\$
	\$
	\$
	129,540

3. Summary of the bank account activities showing:

Balance at beginning of year	78,974
Deposits during the year	129,540
Interest earned for calendar year	354
Withdrawals from this account	208,755
Balance at end of year	113

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

ECM Tank 2	201,010
KFF	7,745
	208,755

Balance	Customer	Rate	Deposit	Balance
47350000	Flecken (61)	2/09	12/21	300000
	Deid (11)	12/09	1/35	300000
	Conan (70)	2/09	1/29	300000
	Wells (57)	12/09	1/29	300000
	Alford (120)	12/09	1/29	300000
	Kiniski (27)	12/09	1/27	300000
	Scaram (102)	1/10	1/10	300000
	Watts (67)	1/10	1/12	300000
	Wright (114)	7/10	3/10	750000
	Jones (48)	4/10	4/10	300000
	Mart (57)	4/10	1/2	300000
	Combs (103)	5/10	3/10	300000
	Combs (101)	6/10	4/10	300000
	Smith (6)	6/10	6/10	300000
	Merritt (74)	6/10	6/10	700000
	Madocci (20)	6/10	4/10	300000
	Ilksh (20)	6/10	1/10	750000
	Miles (55)	6/10	6/10	300000
7200000	Essler (24)	6/10	3/10	300000
	De (121) (126)	6/10	1/10	300000
	Cohen (4)	7/10	1/2	300000
2450000	Reco (104)	7/10	1/2	300000
	Muffin (38)	7/10	1/2	300000
	Skinner (80)	7/10	1/2	300000
2300000	Carrick (109)	7/10	1/10	300000
	Watts (63)	7/10	1/10	300000
	Burke (49)	7/10	1/10	300000
	Amel (37)	7/10	1/10	300000
	Lee (177)	7/10	1/10	300000
2700000	Mendoza (6)	7/10	1/10	300000
	Gunn (59)	7/10	1/10	300000
	Willard (87)	7/10	1/10	300000
	Stewart (57)	8/10	8/10	300000
3000000	Hunt (78)	8/10	8/10	300000
	Wright (135)	8/10	8/10	700000
	Zemora (40)	9/10	1/10	300000
	Spencer (101)	10/10	10/2	300000
	Wicks (84)	12/10	1/2	300000

enwood Water Co.

Accounts

gross deposit	Balance	Customer	Rate	Canon	Manou
200000		Amel	6/01		200000
200000					

DECLARATION

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned Karen L. Ball, Manager

Authorized Officer, Partner or Owner

of Penngrove Water Company

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 of January 1, 2010, through December 31, 2010. (date)

Karen L. Ball

Signature

Manager

Title

March 24, 2011

Date

INDEX

	<u>PAGE</u>
Advances from associated companies	18
Advances for construction	19
Assets	9
Balance Sheet	9-10
Capital stock	16
Contributions in aid of construction	20
Depreciation and amortization reserves	13-14
Declaration	34
Deferred taxes	19
Dividends appropriations	17
Employees and their compensation	25
Engineering and management fees	26
Excess Capacity and Non-Tariffed Services	8
Facilities Fees Data	33
Income Statement	7, 21
Liabilities	10
Loans to officers, directors, or shareholders	26
Long-term debt	18
Management compensation	23
Meters and services	29
Non-utility property	12
Officers	5
Operating expenses	23
Operating revenues	22
Organization and control	5
Other assets	14
Other income	21
Other paid in capital	16
Payables to associated companies	18
Population served	29
Proprietary capital	17
Purchased water for resale	27
Retained earnings	17
Safe Drinking Water Bond Act Data	31-32
Service connections	29
Sources of supply and water developed	27
Status with Board of Health	30
Stockholders	16
Storage facilities	27
Taxes	24
Transmission and distribution facilities	28
Unamortized debt discount and expense	15
Unamortized premium on debt	15
Utility plant	11
Water delivered to metered customers	29
Water plant in service	11
Water plant held for future use	12

NOTES for 2010 PENNGROVE ANNUAL REPORT

1. 131	Checking Acct	29723		
	Money Market	<u>26051</u>		
		55774		
2. 132	PFF	113		
3. 224	Truck	5564		
	69% of			
	8064			
4. 105	C. Manor			
	Tank 2	214,017		
		<u>CIAC</u>	<u>COMPANY</u>	<u>TOTAL</u>
5. 331	Dutch		51,034	
	Main St.	362		51,396
6. 333	Unruh	952		
	Keating	952		
	Savel	1325		
	Hole	1325		
	Mauglio	1260		
	Sherman	6149	242	12,205
7. 334	80 meters replaced Penn			
	32 new CM, 3 new Penn		27,178	27,178
8. 339	Universal Wrench		86	
	Sampling Rod		338	
	Volt Meter		203	
	Well depth Sounder		<u>637</u>	
	69% of	1264	872	
	Penngrove			
	Valve Book		28756	29628
9. 340	Updates 69%		661	
	Annual Report		1,425	
	Color Printer 69%		<u>69</u>	<u>2155</u>
	Total	12,325	110,237	122562
10. 331	Removed from Service			
	843' 6" AC		(4215)	
11. 334	Removed from Service			
	80 meters		(6400)	
12. 340	Removed from Service			
	Previous Bar Code Program		<u>(75)</u>	
	Total:		<u>(10690)</u>	

		<u>Expensed</u>	<u>Capital Accounts</u>	<u>Total</u>
13. 630	Troy	35,913	2,800	
	Tom	25,540	525	
	Danney	8,710	1,272	
	Ron	3,055		
TOTALS		<u>73,218</u>	<u>4,597</u>	77,815
14. 650	Contract Labor	6365		
	Water Testing	9734		16,099
15. 671	Karen	71,717		
	Jim	23,184		94,901