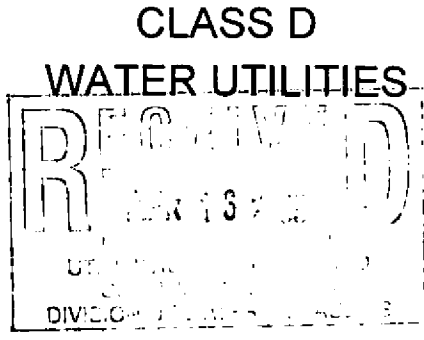


74

Received _____
Examined _____



U# _____

2008
ANNUAL REPORT
OF

POINT ARENA WATER WORKS, INC.

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

P. O. BOX 205

POINT ARENA, CA

95468

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

kok@cpuc.ca.gov

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath, on the last page, must be signed by an officer, partner or owner.
4. The report must be prepared in ink, typed or computer generated.
5. The report must be filled in, and every question answered. LEAVE NO SCHEDULE BLANK. Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Certain balance sheet and income statement accounts flow to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

CLASS D WATER UTILITIES
(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Point Arena Water Works, Inc.

(Name under which corporation, partnership or individual is doing business)

P. O. Box 205, Point Arena, CA 95468

(Official mailing address)

City of Point Arena & Vicinity, Mendocino County, CA

(Service area-town and county)

Telephone Number (707) 882-1696 Fax Number (707) 882-3258 Email Address officemgr@paww.info

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

- 1 If a corporation show:
 - (A) Date of organization 2/2/1984 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers:
William G. Hay, Jr., President, P.O. Box 205, Point Arena, CA 95468
- 2 If unincorporated provide the name and address of the owner(s) or the partners:
- 3 Name, title, and telephone number of:
 - (A) One person listed above to receive correspondence:
 - (B) Person responsible for operations and services:
William G. Hay, Jr., President, (707) 882-1696
- 4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) NO
If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged?
- 5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent: N/A

PUBLIC HEALTH STATUS

- 6 Has state or local health department inspection been made during the year?
- 7 Are routine laboratory tests of water being made?
- 8 Has state health department water supply permit been obtained? (Indicate date)
- 9 If no permit has been obtained, state whether application has been made and when.
- 10 Show expiration date if state permit is temporary.

Yes	No	Latest Date
	X	<u>7/25/07</u>
X		<u>12/30/08</u>
X		<u>9/1955</u>

- 11 List Name, Grade, and License Number of all Licensed Operators:
William G. Hay, Jr. Grade D1, 20524
Edward Christensen, Grade D1, 20525

Point Arena Water Works, Inc.

Not Applicable

Excess Capacity and Non-Tariffed Services

NOTE: In D 06-07-018, D 05-04-028, 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 06-07-018, D 05-04-028, and D 04-12-023, provide the following information by each individual non-tariffed good and service provided in 200 .

Row Number	Description of Non-Tariffed Good/Service	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

Point Arena Water Works, Inc.

NOT APPLICABLE

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: _____
 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	_____

POINT ARENA WATER WORKS, INC.

NOT APPLICABLE

CLASS A, B, C AND D WATER COMPANIES

SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (cont.)

5. Plant amounts included in Schedule A-1a, Account No. 101—Water Plant in Service which were funded using SDWBA or SRF funds:

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits* or (Credits) (e)	Balance End of Year (f)
1	NON-DEPRECIABLE PLANT						
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5	DEPRECIABLE PLANT						
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
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 - BALANCE SHEET (DECEMBER 31, 2008)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	1,447,617	201	Common Stock (Corporations only)	120,000
2	103	Water plant held for future use	3,106	211	Other paid-in capital (Corporations only)	48,865
3	104	Water plant purchased or sold		215	Retained earnings	<107,758>
4	105	Water plant construction work in progress	91,701	218	Proprietary capital	
5	108	Accumulated depreciation of water plant	<548,804>	224	Long term debt	179,065
6	114	Water plant acquisition adjustments			Current Liabilities	259,823
7	124	Other investments		252	Advances for construction	31,187
8	131	Cash	<9,609>	253	Other deferred credits	527
9	141	Accounts receivable - customers	21,878	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies	19,415	282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets	256	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	30,897	271	Contributions in aid of construction	806,615
14				272	Accumulated amortization of contributions	<281,867>
15		Total Assets	1,056,457		Total Equity and Liabilities	1,056,457

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant	13,007				13,007
17	303	Land					
18	304	Structures	98,962				98,962
19	307	Wells	45,543				45,543
20	317	Other water source plant	22,580				22,580
21	311	Pumping equipment	206,833	7,656			214,489
22	320	Water treatment plant	18,367				18,367
23	330	Reservoirs tanks and sandpipes	72,161	57,686			129,847
24	331	Water mains	741,254				741,254
25	333	Services and meter installations	49,493				49,493
26	334	Meters	18,656				18,656
27	335	Hydrants	54,766	7,639			62,405
28	339	Other equipment	17,711				17,711
29	340	Office furniture and equipment	7,706				7,706
30	341	Transportation equipment	7,597				7,597
31		Total water plant in service	1,374,636	72,981			1,447,617

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
32	Balance in reserves at beginning of year	519,852		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 272	16,132		
35	(b) Charged to Account No. 403	12,820		
36	(c) Charged to Account No. 407			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits	548,804		covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation.
44	Total debits			
45	Balance in reserve at end of year	548,804		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

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

Line

1	Common - (Shares 12,000, \$ 10 par)	20,000	List persons owning more than 5% of outstanding stock
2	Preferred - (Shares \$ par)		and number of shares owned by each:
3	Dividends - Common Rate - \$		William G. Hay Jr. & Karen J. Hay 12,000
4	- Preferred Rate - \$		

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5	Wells Fargo Bank	2008	2013	190,000	173,724	7.75%	7383	6765
6	Bed Rock, Inc.	11/21/00	2/1/09	37,458	5,341	9.5%	151	151
7	SBA Loan	1978	2008	171,000	=0-	2.75%	9	9
8	Totals			398,458	179,065		7543	6925

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	268,897
14	480 Other water revenue	
15	Total Operating Revenue	268,897
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Purchased power	12,095
20	618 Other volume related expenses	1,202
21	630 Employee labor	6,613
22	640 Materials	8,249
23	650 Contract work	27,316
24	660 Transportation expenses	8,848
25	664 Other plant maintenance expense	6,176
26	670 Office salaries	8,954
27	671 Management salaries	24,101
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	15,552
31	681 Office supplies and expense	6,361
32	682 Professional services	27,291
33	684 Insurance	5,183
34	688 Regulatory commission expense	3,069
35	689 General expenses	2,274
36	Total Operating Expenses	163,284
37	403 Depreciation expense	12,820
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	15,631
40	409 State income tax expense	800
41	410 Federal income tax expense	
42	Total Operating Revenue Deductions	192,535
43	Utility Operating Income	76,362
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	7,733
47	Net Income	68,629

SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS

Location	No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped
Garcia River	1	24	18		Cu Ft
Garcia River	2	12	15		1,513,503
Whiskey Shoals	1	8	45		-
Whiskey Shoals	2	8	103		-
					1,513,503

OTHER

Streams or springs location of diversion point	Flow in Priority right		(Unit) Diversions		Annual Quantities Diverted Unit
	Claim	Capacity	Max	Min	
N/A					
Purchased water (unit)				Annual Quantity	
Supplier:					

SCHEDULE H

WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

Classification of service	Max mo.	Min. Mo.	Total for year
	Mo. of July	Mo. of March	
Residential	67,426	48,621	693,765 Cu Ft
Commercial	76,441	48,875	680,794 Cu Ft
Industrial	145	94	1,353 Cu Ft
Fire Protection			
Irrigation			
Other (specify)			
Total	144,012	97,590	1,375,912 Cu Ft

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Number at End of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor	1	6,613		6,613
49	670	Office salaries	1	8,954		8,954
50	671	Management salaries	1	24,101	3,859	27,960
51		Total	3	39,668	3,859	43,527

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	31,187
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	31,187

SCHEDULE K - TOTAL METERS AND SERVICES (active and Inactive)

Size	Meters	Services
5/8 x 3/4-in	184	184
3/4-in	7	7
1-in	13	13
-in	8	8
-in	4	4
Total	216	216

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1 Used, before repair...	20
2 Used, after repair ...	Replaced
3 Fast, requiring refund ...	None
Numbers of meters in service requiring test per General Order No. 103	

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	126		126	19		19	145	
Industrial/Commercial	66		66	5		5	71	
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify)								
Total	192		192	24		24	216	

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

SCHEDULE N - STORAGE FACILITIES

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

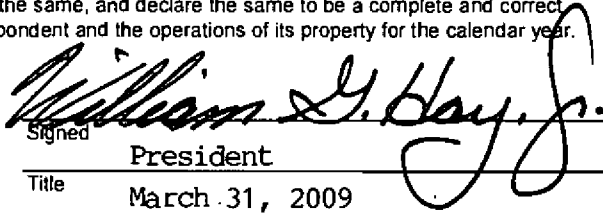
Description	No.	Combined capacity in gallons	Description	2" and	2 1/4 to	4"	6"	8"	12"	Totals
				under	3 1/4		Other sizes (specify)			
Concrete	1	285,000	Cast Iron							
Earth			Welded steel					300		300
Wood	3	272,000	Standard screw	300						300
Steel			Cement-asbestos		600	5700	7500	500		14300
Other			Plastic	1400	760	600	147000	4700	10,100	32260
			Other (specify)							
Total	4	557,000	Total	1700	1360	6300	22200	5500	10,100	47160

DECLARATION

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

I, the undersigned (officer, partner or owner) of Point Arena Water Works, Inc. (Name of utility), under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, documents, and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the calendar year.

January 1, 20 08 through December 31, 20 08


 Signed _____
 Title President
 Date March 31, 2009

Date

FACILITIES FEES DATA

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

1. Trust Account Information:

Bank Name:	<u>Wells Fargo Bank</u>
Address:	<u>660 S. Main Street, Fort Bragg, CA 95437</u>
Account Number:	<u>760 1324119</u>
Date Opened:	<u>2002</u>

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

A. Commerical

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

B. Residential

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

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ 646.58
Deposits during the year	_____
Interest earned for calendar year	.72
Withdrawals from this account	120.00
Balance at end of year	<u>527.30</u>

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

\$120.00 Bank service charges