

Received _____
Examined _____

**CLASS D
WATER UTILITIES**

U# _____

**2008
ANNUAL REPORT
OF**

TWIN VALLEY INC

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

P.O. BOX 433

MORLAN Hill, CA 95038

(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)

TWIN VALLEY INC

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

P.O. Box 433

(Official mailing address)

MORGAN HILL CA 95038

(Service area-town and county)

Telephone Number:

408-776-0571

Fax Number: 408-778-7416

Email Address: sh1111@pacbell.net

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

- 1 If a corporation show: 1974 incorporated in the State of CALIF
 (A) Date of organization
 (B) Names, titles and addresses of principal officers:
Steve Havens, 14295 Sycamore Dr. Morgan Hill, CA 95038
- 2 If unincorporated provide the name and address of the owner(s) or the partners:

- 3 Name, title, and telephone number of: Steve Havens, 408-776-0511
 (A) One person listed above to receive correspondence:
 (B) Person responsible for operations and services:

- 4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No)
Steve Havens
 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:

PUBLIC HEALTH STATUS

	Yes	No	Latest Date
6 Has state or local health department inspection been made during the year?	X		
7 Are routine laboratory tests of water being made?	X		
8 Has state health department water supply permit been obtained? (Indicate date)	X		2008
9 If no permit has been obtained, state whether application has been made and when.	N/A		
10 Show expiration date if state permit is temporary.	N/A		

- 11 List Name, Grade, and License Number of all Licensed Operators:
Steve Havens, GRADE D1 operator License Certification
Water Distribution Operator
DL 4300575

Excess Capacity and Non-Tariffed Services

NOTE: In D 00-07-018, D 03-04-026 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 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 03-04-026, and D 04-12-023, provide the following information for 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 applying Non-Tariffed Good/Service Account	Total Income Tax Liability incurred by each 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

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: Bank of America
 Address: 777 N. ST SAN JOSE CA 95128
 Phone Number: 415 983-0500
 Account Number: 10079-12193
 Date Hired: 4-1-95

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

\$ 16004

Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
3/4 inch	38	10.08
1 inch	41	16.80
1 1/2 inch	7	33.60
2 inch	1	33.75
3 inch		
4 inch		
6 inch		
Number of Flat Rate Customers	87	
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

\$ 8765
16004
0
13315
11454

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					
18		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	85000	201	Common Stock (Corporations only)	80000
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	49383
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	27625	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	7850
7	124	Other investments		252	Advances for construction	
8	131	Cash	362	253	Other deferred credits	
9	141	Accounts receivable - customers	6945	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs depreciation	
11	151	Materials and supplies	7400		Accumulated deferred income taxes - other	27625
12	174	Other current assets		283	Contributions in aid of construction	
13	180	Deferred charges		271	Accumulated amortization of contributions	
14				272		
15		Total Assets	72082		Total Equity and Liabilities	72082

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land	5294				5294
18	304	Structures	21600				21600
19	307	Wells	12500				12500
20	317	Other water source plant					
21	311	Pumping equipment	5200	4350			9550
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes					
24	331	Water mains	18100				18100
25	333	Services and meter installations	9000				9000
26	334	Meters					
27	335	Hydrants	9000				9000
28	339	Other equipment					
29	340	Office furniture and equipment	1000				1000
30	341	Transportation equipment	4506				4506
31		Total water plant in service	90700				90550

* 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	112164		A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year			
34	(a) Charged to Account No. 272			
35	(b) Charged to Account No. 403			
36	(c) Charged to Account No. 407			
37	(d) Salvage recovered			B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$
38	(e) All other credits	2125		
39	Total credits			
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 depreciation.
43	(c) All other debits			
44	Total debits			
45	Balance in reserve at end of year	114289		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

08

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

Line	Common - (Shares	Par Value	par)	List persons owning more than 5% of outstanding stock and number of shares owned by each:	
1	Common - (Shares	2540	\$100	par)	250000
2	Preferred - (Shares		\$	par)	
3	Dividends - Common	Rate - \$			
4	- Preferred	Rate - \$			Steve Haven

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	BANK OF AMERICA	4/99	OPEN	50000	49875	12%	5982	5982
6	Steve Haven	2/99	2040	72000	72000	8%	5760	
7	SWWSA	2/98	2038	240000	194861	2.9%	6109	6109
8	Totals			365000	316736			

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxxx
10	460 Unmetered water revenue	—
11	462 Fire protection revenue	—
12	465 Irrigation revenue	—
13	470 Metered water revenue	146084
14	480 Other water revenue	—
15	Total Operating Revenue	146084
16	Operating revenue deductions	xxxxxxxxxxx
17	Operating expenses	xxxxxxxxxxx
18	610 Purchased water	1850
19	615 Purchased power	49494
20	618 Other volume related expenses	2851
21	630 Employee labor	14500
22	640 Materials	2200
23	650 Contract work	9521
24	660 Transportation expenses	8220
25	664 Other plant maintenance expense	3350
26	670 Office salaries	6000
27	671 Management salaries	15000
28	674 Employee pensions and benefits	7210
29	676 Uncollectible accounts expense	3250
30	678 Office services and rentals	12560
31	681 Office supplies and expense	4105
32	682 Professional services	2050
33	684 Insurance	4650
34	688 Regulatory commission expense	2250
35	689 General expenses	—
36	Total Operating Expenses	140911
37	403 Depreciation expense	2125
38	407 SDWBA loan amortization expense	3100
39	408 Taxes other than income taxes	—
40	409 State income tax expense	800
41	410 Federal income tax expense	—
42	Total Operating Revenue Deductions	6023
43	Utility Operating Income	—
44	421 Non-utility income	—
45	426 Miscellaneous non-utility expense	—
46	427 Interest expense	5982
47	Net Income	(6834)

17851
12082

4

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
WATSONville Rd	4	10	40	30	
SYCAMORE 1	3	10	40	35	
Chaparral	5	10	40	25	
Kelly	6	8	40	25	

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)	16000 gallon				
Supplier: H ₂ O TUGO			Annual Quantity 16000 gallon		

SCHEDULE H WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

Classification of service	Max mo. Mo. of	Min. Mo. Mo. Of	Total for year
Residential	12	12	
Commercial			
Industrial			
Fire Protection			
Irrigation			
Other (specify)			
Total			

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	14500		14500
49	670	Office salaries	1	6000		6000
50	671	Management salaries	1	15000		15000
51		Total				35500

SCHEDULE J - ADVANCES FOR CONSTRUCTION

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

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

Size	Meters	Services
5/8 x 3/4-in		
3/4-in	38	
1-in	41	
1-in 1/2	7	
2-in	1	
Total	87	

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1 Used, before repair...	8
2 Used, after repair	4
3 Fast, requiring refund ..	10
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	87		87	5		5	92	
Industrial/Commercial								
Irrigation								
Fire Protection (public)	9		9				9	
Fire Protection (private)								
Other (specify)								
Total	96		96					

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

SCHEDULE N - STORAGE FACILITIES

Description	No.	Combined capacity in gallons
Concrete		
Earth		
Wood	1	33000
Steel	1	66000
Other		
Total		

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	2" and under				2 1/4 to 3 1/4		4"	Other sizes (specify)	Totals
	2"	2 1/2"	3"	3 1/2"	2 1/4"	3 1/4"			
Cast Iron									
Welded steel									
Standard screw									
Cement-asbestos									
Plastic									
Other (specify)									
Total									

DECLARATION

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

I, the undersigned (officer, partner or owner) of ~~XXXXXX~~ TWIN VALLEY 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, 2008.

Signed

Title

Date

FACILITIES FEES DATA

MP

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: _____
 Address: _____
 Account Number: _____
 Date Opened: _____

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	\$ _____
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:

