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Examined _____

**CLASS D
WATER UTILITIES**

U# _____

**2009
ANNUAL REPORT
OF**

TWIN VALLEY, INC

PO BOX 433
MORONA HILL, CA 95038

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

(OFFICIAL MAILING ADDRESS) ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2009**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2010

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INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2010**, 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 Page12, must be signed by an authorized 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. 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, 2009, through December 31, 2009. 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, MORGAN HILL CA 95058

(Official mailing address)

MORGAN HILL, ~~CA~~ SANTA CLARA VALLEY, CALIF

(Service Area - Town and County)

Telephone Number:

408.776.0511

Fax Number:

408.778.7416

Email Address:

SH1111@PACBELL.NET

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

- If a corporation show:
 - (A) Date of organization 1974 incorporated in the State of CALIF
 - (B) Names, titles and addresses of principal officers: STEVE HAVENS, 14295 STEAMORE DR. MORGAN HILL, CA 95037
- If unincorporated provide the name and address of the owner(s) or the partners: N/A
- Name, title, and telephone number of: president, 408.776.0511
 - (A) One person listed above to receive correspondence: Steve Havens
 - (B) Person responsible for operations and services: Steve Havens
- Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No)

If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged? SAME
- 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

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

Yes	No	Latest Date
X		Sept 09
X		
X		NOV 09
N/A		
N/A		

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

Steve Havens CLASS "D" 4300575

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 goods and services provided in calendar year 2009:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter									
Row No.	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue Derived From Non-Tariffed Goods/ Services (by account)	Total Expenses Incurred to Provide Non-Tariffed Goods/ Services (by Account)	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	Gross Value of Regulated Assets Used in the Provision of a Non-Tariffed Goods/ Services (by Account)	Regulated Asset Account Number
			N/A						

**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: BANK OF AMERICA
 Address: 777 N. 1st SAN JOSE, CA 95125
 Phone Number: 408 963-0588
 Account Number: 1 0074-12143
 Date Hired: 4-1-1995

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

\$ 14,196

Meter Size	No. of Metered Customers	Monthly Surcharge Per Customer
3/4 inch	38	8.10
1 inch	41	13.49
1 1/2 inch	7	26.99
2 inch	1	43.18
3 inch		
4 inch		
6 inch		
Number of Flat Rate Customers	87	
Total	<u>87</u>	

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ <u>11,454</u>
Deposits during the year	<u>14,196</u>
Interest earned for calendar year	<u>170</u>
Withdrawals from this account	<u>13,674</u>
Balance at end of year	<u>12,116</u>

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

Payments to LOAN

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:

N/A

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 (AS OF DECEMBER 31, 2009)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	35000	201	Common Stock (Corporations only)	36000
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	4933
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(29750)	224	Long term debt	7800
6	114	Water plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash	1250	253	Other deferred credits	
9	141	Accounts receivable - customers	1265	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - ACRS	
11	151	Materials and supplies	7500		depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	23372
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	65265		Total Equity and Liabilities	65265

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
1	301	Intangible plant					
2	303	Land	5294				5294
3	304	Structures	21600				21600
4	307	Wells	12500				12500
5	317	Other water source plant					
6	311	Pumping equipment	9550				9550
7	320	Water treatment plant					
8	330	Reservoirs tanks and sandpipes					
9	331	Water mains	18100				18100
10	333	Services and meter installations					
11	334	Meters	9000				9000
12	335	Hydrants					
13	339	Other equipment					
14	340	Office furniture and equipment	1000				1000
15	341	Transportation equipment	4500				4500
16		Total water plant in service	90550				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	
1	Balance in reserves at beginning of year	114259		A. Method used to compute depreciation
2	Add: Credits to reserves during year			expense (Acct. 403) and rate.
3	(a) Charged to Account No. 272			
4	(b) Charged to Account No. 403			
5	(c) Charged to Account No. 407			B. Amount of depreciation expense claimed
6	(d) Salvage recovered			or to be claimed on utility property in
7	(e) All other credits	2125		your federal income tax return for the year
8	Total credits			covered by this report \$
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired			
11	(b) Cost of removal			C. State method used to compute tax
12	(c) All other debits			depreciation.
13	Total debits			
14	Balance in reserve at end of year	116414		
15	(1) Explanation of all other credits			
16	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2009)			
Line	1	Common - (Shares 25000, \$ 100 par)	List persons owning more than 5% of outstanding stock
	2	Preferred - (Shares , \$ par)	and number of shares owned by each:
	3	Dividends - Common Rate - \$	STEVE HAVENS
	4	- Preferred Rate - \$	

SCHEDULE E - LONG-TERM DEBTS								
Line	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
1	BANK OF AMER. 2/95	OPEN	50000	49950	12%	8505	6500	
2	STEVE HAVENS 4/95	0304/OPEN	72000	72000	8%	5760		
3	SDWBA 2/98	2038	241000	184000	2.9%	6100	600	
4	Total		303000	306000		20365	12600	

SCHEDULE F - INCOME STATEMENT		
Line	Acct.	Description
1	460	Operating revenues
2	462	Unmetered water revenue
3	465	Fire protection revenue
4	470	Irrigation revenue
5	480	Metered water revenue
6		Other water revenue
6		Total Operating Revenue
7		Operating revenue deductions
8		Operating expenses
9	610	Purchased water
10	615	Purchased power
11	618	Other volume related expenses
12	630	Employee labor
13	640	Materials
14	650	Contract work
15	660	Transportation expenses
16	664	Other plant maintenance expense
17	670	Office salaries
18	671	Management salaries
19	674	Employee pensions and benefits
20	676	Uncollectible accounts expense
21	678	Office services and rentals
22	681	Office supplies and expense
23	682	Professional services
24	684	Insurance
25	688	Regulatory commission expense
26	689	General expenses
27		Total Operating Expenses
28	403	Depreciation expense
29	407	SDWBA loan amortization expense
30	408	Taxes other than income taxes
31	409	State income tax expense
32	410	Federal income tax expense
33		Total Operating Revenue Deductions
34		Utility Operating Income
35	421	Non-utility income
36	426	Miscellaneous non-utility expense
37	427	Interest expense
38		Net Income

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	4	10	40	50	
SYCAMORE BR	3	10	40	40	
CHAPARRAL	5	10	40	30	
KELLY SYCAMORE	6	8	40	30	

OTHER

Streams or Springs Location of Diversion Point	Flow in Priority Right		Diversions (Unit)		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit

Purchased water (unit)	25000/gallon	Annual Quantity	25000 gpm
Supplier:	H2O TV 60		

SCHEDULE H - WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

Classification of Service	Month of Year		Annual Total
	Maximum	Minimum	
Residential			
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
1	630	Employee Labor	1	15000		15000
2	670	Office salaries	1	6000		6000
3	671	Management salaries	1	15000		15000
4		Total				

3

36000

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 4	7	
2-in	1	
Total	87	

SCHEDULE L - METER-TESTING DATA		
Number of meters tested during year		
1	Used, before repair	6
2	Used, after repair	30
3	Fast, requiring refund	
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				101	

* 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	60000
Other		
Total		99000

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)					
Description	2" and under	2 1/4 to 3 1/4	4"	Other Sizes - 6" (Specify)	Total
Cast Iron					
Welded steel					
Standard screw				(3)	
Cement-asbestos				9000	
Plastic				5000	
Other (specify)					
Total				14000	14000

FACILITY FEES DATA

N/A

Please provide the following information relating to Facility Fees collected for the calendar year 2009, pursuant to Resolution No. W-4110.

N/A

1. Trust Account Information:

Bank Name: _____
Address: _____
Account Number: _____
Date Opened: _____

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

A. Commercial

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

B. Residential

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

3. Summary of the bank account activities showing:

	AMOUNT
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:

DECLARATION

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

I, the undersigned (authorized officer, partner or owner) of Steve Havens Tenn Valley (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 period of
January 1, 2009 through December 31, 2009.

Steve Havens

Signature

President

Title

4/29/2010

Date