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CLASS A
WATER UTILITIES



U# 342-W _____

2009
ANNUAL REPORT
OF

VALENCIA WATER COMPANY

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

24631 AVENUE ROCKEFELLER

VALENCIA, CA 91355

(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
(FILE TWO COPIES IF THREE RECEIVED)

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GENERAL 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 page 60, 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 electronic file of this report.
9. This report must cover a calander year, from January 1, 2009 through December 31, 2009. 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.

BALANCE SHEET AND CAPITALIZATION DATA

Calendar Year 2009

NAME OF UTILITY VALENCIA WATER COMPANYPHONE (661) 294-1150PERSON RESPONSIBLE FOR THIS REPORT Beverly Johnson

	01/01/09	12/31/09	Average
BALANCE SHEET DATA			
1 Intangible Plant	115,083	115,083	115,083
2 Land and Land Rights	1,366,286	1,366,286	1,366,286
3 Depreciable Plant	152,578,552	156,168,364	154,373,458
4 Gross Plant in Service	154,059,921	157,649,733	155,854,827
5 Less: Accumulated Depreciation	(38,161,484)	(42,301,188)	(40,231,336)
6 Net Water Plant in Service	115,898,437	115,348,545	115,623,491
7 Water Plant Held for Future Use			
8 Construction Work in Progress	4,015,407	3,088,619	3,552,013
9 Materials and Supplies	361,814	386,224	374,019
10 Less: Advances for Construction	(14,511,534)	(13,804,621)	(14,158,078)
11 Less: Contributions in Aid of Construction	(58,713,226)	(57,666,964)	(58,190,095)
12 Less: Accumulated Deferred Income and Investment Tax Credits	(8,342,273)	(9,487,943)	(8,915,108)
13 Net Plant Investment	38,708,625	37,863,860	38,286,243
CAPITALIZATION			
14 Common Stock	1,536,500	1,536,500	1,536,500
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	6,207,025	6,207,025	6,207,025
17 Retained Earnings	23,858,078	25,845,875	24,851,977
18 Common Stock and Equity (Lines 14 through 17)	31,601,603	33,589,400	32,595,502
19 Preferred Stock	1,200,000	1,200,000	1,200,000
20 Long-Term Debt	11,000,000	12,000,000	11,500,000
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	43,801,603	46,789,400	45,295,502

INCOME STATEMENT AND OTHER DATA
Calendar Year 2009

NAME OF UTILITY Valencia Water Company PHONE (661) 294-1150

INCOME STATEMENT

		Annual Amount
23	Unmetered Water Revenue (6110, 6111, 6112, 6093, 6140-44)	98,338
24	Fire Protection Revenue (6040, 6041, 6042)	772,468
25	Irrigation Revenue (6030, 6031)	195,103
26	Metered Water Revenue (all other accts)	20,389,569
27	Total Operating Revenue	21,455,478
28	<u>Operating Expenses</u>	<u>(13,842,273)</u>
29	Depreciation Expense (Composite Rate 2.97%)	(2,551,703)
30	Amortization and Property Losses	(5,754)
31	Property Taxes	(442,230)
32	Taxes Other Than Income Taxes	(140,166)
33	Total Operating Revenue Deduction Before Taxes	<u>(16,982,126)</u>
34	California Corp. Franchise Tax	(495,913)
35	Federal Corporate Income Tax	(1,079,664)
36	Total Operating Revenue Deduction After Taxes	<u>(18,557,703)</u>
37	Net Operating Income (Loss) - California Water Operations	2,897,776
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	(126,912)
39	Income Available for Fixed Charges	2,770,864
40	Interest Expense	(669,067)
41	Net Income (Loss) Before Dividends	2,101,797
42	Preferred Stock Dividends	(114,000)
43	Net Income (Loss) Available for Common Stock	1,987,797

OTHER DATA

44	Refunds of Advances for Construction	706,913
45	Total Payroll Charged to Operating Expenses	1,924,371
46	Purchased Water	4,376,340
47	Power	1,617,562
48	Class A Water Companies Only:	
a.	Pre-TRA 1986 Contributions in Aid of Construction	1,112,645
b.	Pre-TRA 1986 Advances for Construction	4,448,462
c.	Post TRA 1986 Contributions in Aid of Construction	56,554,319
d.	Post TRA 1986 Advances for Construction	9,356,159

		1,303	Jan. 1	Dec. 31	Annual Average
49	Metered Service Connections		28,545	28,645	28,595
50	Flat Rate Service Connections				0
51	Total Active Service Connections		28,545	28,645	28,595

BALANCE SHEET AND CAPITALIZATION DATA

**Adjusted to Exclude Non-Regulated Activity
Calendar Year 2009**

NAME OF UTILITY VALENCIA WATER COMPANY

PHONE (661) 294-1150

PERSON RESPONSIBLE FOR THIS REPORT Beverly Johnson

	01/01/09	12/31/09	Average
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INCOME STATEMENT AND OTHER DATA

Adjusted to Exclude Non-Regulated Activity
Calendar Year 2009

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40	Interest Expense		<u>(669,067)</u>
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42	Preferred Stock Dividends		<u>(114,000)</u>
43	Net Income (Loss) Available for Common Stock		<u>1,987,797</u>

OTHER DATA

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45	Total Payroll Charged to Operating Expenses		<u>1,924,371</u>
46	Purchased Water		<u>4,376,340</u>
47	Power		<u>1,617,562</u>
48	Class A Water Companies Only:		
a.	Pre-TRA 1986 Contributions in Aid of Construction		<u>1,112,645</u>
b.	Pre-TRA 1986 Advances for Construction		<u>4,448,462</u>
c.	Post TRA 1986 Contributions in Aid of Construction		<u>56,554,319</u>
d.	Post TRA 1986 Advances for Construction		<u>9,356,159</u>

<u>Active Service Connections</u>			(Exc. Fire Protect)	1,303	Jan. 1	Dec. 31	Annual Average
49	Metered Service Connections				28,545	28,645	28,595
50	Flat Rate Service Connections						0
51	Total Active Service Connections				28,545	28,645	28,595

Notes to Adjusted Selected Financial Data

Instructions: Provide reasons for each adjustment to the Selected Financial Data due to non-regulated activities. Detail this information by name of line item (Gross Plant, Operating Revenues, etc.), account number, dollar amount, and by point in time (end of year, beginning of year, or average).

1	NONE
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Excess Capacity and Non-Tariffed Services

NOTE: In D.00-07-018, D.03-04-028, and D. 04-12-023, the CPUC set forth rules and requirements regarding water utilities provision of non-tariffed services using excess capacity. These decisions require water utilities to: 1) file an advice letter requesting Commission approval of that service, 2) provide information regarding non-tariffed goods/services in each companies Annual Report to the Commission.

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed good and service provided in 2009:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter

Row Number	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue derived from Non-Tariffed Good/Service (by account)	Revenue Account Number	Total Expenses incurred to provide Non-Tariffed Good/Service (by Account)	Expense Account Number	Advice Letter and/or Resolution Number approving Non-Tariffed Good/Service	Total Income Tax Liability incurred because of non-tariffed Good/Service (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets used in the provision of a Non-Tariffed Good/Service (by account).	Regulated Asset Account Number
------------	------------------------------------------	-------------------	-------------------------------------------------------------------	------------------------	---------------------------------------------------------------------------	------------------------	----------------------------------------------------------------------------	---------------------------------------------------------------------------------------	-------------------------------------	----------------------------------------------------------------------------------------------------	--------------------------------

NONE

GENERAL INFORMATION

1 Name under which utility is doing business: Valencia Water Company

2 Official mailing address: 24631 Avenue Rockefeller, PO Box 5904
Valencia, CA ZIP 91385-5904

3 Name and title of person to whom correspondence should be addressed:
Beverly Johnson, Controller Telephone: (661) 294-1150

4 Address where accounting records are maintained:
24631 Avenue Rockefeller, Valencia, CA

5 Service Area (Refer to district reports if applicable):
Valencia, Newhall, Saugus, Stevenson Ranch, Castaic

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

7 OWNERSHIP. Check and fill in appropriate line:

- Individual (name of owner) _____
- Partnership (name of partner) _____
- Partnership (name of partner) _____
- Partnership (name of partner) _____
- Corporation (corporate name) Valencia Water Company
Organized under laws of (state) California Date: 1965

Principal Officers:

(Name)	<u>Robert DiPrimio</u>	(Title)	<u>President</u>
(Name)	<u>Greg Milleman</u>	(Title)	<u>Vice-President, Administration</u>
(Name)	<u>Keith Abercrombie</u>	(Title)	<u>Vice-President, Operations</u>
(Name)	<u>Beverly Johnson</u>	(Title)	<u>Controller</u>

8 Names of associated companies: The Newhall Land and Farming Company, LandSource Holding Company, Newhall Land Development, Newhall Intermediary Holding Company, Newhall Holding Company

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:
None 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:
SEE ATTACHED SCHEDULE

VALENCIA WATER COMPANY

GENERAL INFORMATION

#11

Employee Name	Distribution Operator Grade	Distribution License Number	Treatment Operator Grade	Treatment License Number
Abercrombie, Keith A.	D5	15212	T2	21906
Almanza, Joe	D2	26571	T1	26835
Alvord, Michael E.	D5	10156	T3	21511
Baker, Bradley T.	D2	16534	T1	26836
Crotzer, Ryan	D2	35285		
Desautels, Michael J	D1	34609		
Eppenbaugh, Josh	D1	36994		
Flores, Sergio	D3	16680	T2	26023
Garcia, Eugene	D2	16569		
Graves, Jerold	D1	34608		
Hermosillo Jr., Gil	D2	30015	T1	31080
Lathrop, Bob	D2	28628	T1	26848
Licon, Ramon	D1	30016		
Maldonado, Richie A	D1	34607		
Ngoon, Peter	D1	18871		
Overbeck, Kim J.	D2	34159	T2	30522
Saenz, Chris	D2	32080	T2	29980
Saenz, James R.	D4	25649	T2	26854
Serrano, Rodrigo	D1	30018		
Tucker, Terry	D2	17372	T2	21251
Villegas, Cheryl Ann	D2	16644	T2	27819
Whatley, Theresa E.	D2	30019	T2	26857

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

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		I. UTILITY PLANT			
2	100	Utility plant	A-1	160,738,352.32	158,075,327.81
3	107	Utility plant adjustments			
4		Total utility plant		160,738,352.32	158,075,327.81
5	250	Reserve for depreciation of utility plant	A-3	(42,282,778.65)	(38,148,828.28)
6	251	Reserve for amortization of limited term utility investments	A-3	(18,409.78)	(12,655.66)
7	252	Reserve for amortization of utility plant acquisition adjustment	A-3		
8		Total utility plant reserves		(42,301,188.43)	(38,161,483.94)
9		Total utility plant less reserves		118,437,163.89	119,913,843.87
10					
11		II. INVESTMENT AND FUND ACCOUNTS			
12	110	Other physical property	A-2		
13	253	Reserve for depreciation and amortization of other property	A-3		
14		Other physical property less reserve		0.00	0.00
15	111	Investments in associated companies	A-4		
16	112	Other investments	A-5		
17	113	Sinking funds	A-6		
18	114	Miscellaneous special funds	A-7		
19		Total investments and fund accounts		0.00	0.00
20					
21		III. CURRENT AND ACCRUED ASSETS			
22	120	Cash		1,535,439.81	2,113,300.87
23	121	Special deposits	A-8		
24	122	Working funds			
25	123	Temporary cash investments		3,999,294.44	2,997,833.33
26	124	Notes receivable	A-9		
27	125	Accounts receivable		2,066,749.07	1,893,116.84
28	126	Receivables from associated companies	A-10	70,276.21	114,577.35
29	131	Materials and supplies		386,223.75	361,813.69
30	132	Prepayments	A-11	341,230.00	761,180.00
31	133	Other current and accrued assets	A-12		
32		Total current and accrued assets		8,399,213.28	8,241,822.08
33					
34		IV. DEFERRED DEBITS			
35	140	Unamortized debt discount and expense	A-13	373,600.90	19,603.40
36	141	Extraordinary property losses	A-14		
37	142	Preliminary survey and investigation charges			
38	143	Clearing accounts		299.35	(6,653.60)
39	145	Other work in progress			
40	146	Other deferred debits	A-15	7,277,276.03	6,870,642.74
41		Total deferred debits		7,651,176.28	6,883,592.54
42		Total assets and other debits		134,487,553.45	135,039,258.49
43					

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)	
1		I. CORPORATE CAPITAL AND SURPLUS				
2	200	Common capital stock	A-18	1,536,500.00	1,536,500.00	
3	201	Preferred capital stock	A-18	1,200,000.00	1,200,000.00	
4	202	Stock liability for conversion				
5	203	Premiums and assessments on capital stock	A-19			
6	150	Discount on capital stock	A-16	()	()	
7	151	Capital stock expense	A-17	()	()	
8	270	Capital surplus	A-20	6,207,025.00	6,207,025.00	
9	271	Earned surplus	A-21	25,845,875.41	23,858,078.32	
10		Total corporate capital and surplus		34,789,400.41	32,801,603.32	
11						
12		II. PROPRIETARY CAPITAL				
13	204	Proprietary capital (Individual or partnership)	A-22			
14	205	Undistributed profits of proprietorship or partnership	A-23			
15		Total proprietary capital		0.00	0.00	
16						
17		III. LONG-TERM DEBT				
18	210	Bonds	A-24			
19	211	Receivers' certificates				
20	212	Advances from associated companies	A-25			
21	213	Miscellaneous long-term debt	A-26	12,000,000.00	11,000,000.00	
22		Total long-term debt		12,000,000.00	11,000,000.00	
23						
24		IV. CURRENT AND ACCRUED LIABILITIES				
25	220	Notes payable	A-28			
26	221	Notes receivable discounted				
27	222	Accounts payable		336,611.34	245,975.70	
28	223	Payables to associated companies	A-29	0.00	0.00	
29	224	Dividends declared		114,000.00	0.00	
30	225	Matured long-term debt				
31	226	Matured interest				
32	227	Customers' deposits		97,019.00	41,025.00	
33	228	Taxes accrued	A-31	9,493,251.06	8,441,863.26	
34	229	Interest accrued		43,916.67	74,100.00	
35	230	Other current and accrued liabilities	A-30	1,603,031.51	3,330,085.65	
36		Total current and accrued liabilities		11,687,829.58	12,133,049.61	
37						
38		V. DEFERRED CREDITS				
39	240	Unamortized premium on debt	A-13			
40	241	Advances for construction	A-32	13,804,620.88	14,511,533.56	
41	242	Other deferred credits	A-33	4,538,738.56	5,879,845.56	
42		Total deferred credits		18,343,359.44	20,391,379.12	
43						
44		VI. RESERVES				
45	254	Reserve for uncollectible accounts	A-34			
46	255	Insurance reserve	A-34			
47	256	Injuries and damages reserve	A-34			
48	257	Employees' provident reserve	A-34			
49	258	Other reserves	A-34			
50		Total reserves		0.00	0.00	
51						
52		VII. CONTRIBUTIONS IN AID OF CONSTRUCTION				
53	265	Contributions in aid of construction	A-35	57,666,964.28	58,713,226.44	
54		Total liabilities and other credits		134,487,553.71	135,039,258.49	

SCHEDULE B
Income Account for the Year

Line No.	Acct.	Account (a)	Schedule Page No. (b)	Amount (c)
1		I. UTILITY OPERATING INCOME		
2	501	Operating revenues	B-1	21,455,478.46
3				
4		Operating Revenue Deductions:		
5	502	Operating expenses	B-2	(13,508,272.61)
6	503	Depreciation	A-3	(2,551,703.40)
7	504	Amortization of limited-term utility investments	A-3	(5,754.12)
8	505	Amortization of utility plant acquisition adjustments	A-3	
9	506	Property losses chargeable to operations	B-3	0.00
10	507	Taxes	B-4	(2,157,972.48)
11		Total operating revenue deductions		(18,223,702.61)
12		Net operating revenues		3,231,775.85
13	508	Income from utility plant leased to others		
14	510	Rent for lease of utility plant		
15		Total utility operating income		3,231,775.85
16				
17		II. OTHER INCOME		
18	521	Income from nonutility operations (Net)	B-6	
19	522	Revenue from lease of other physical property		
20	523	Dividend revenues		
21	524	Interest revenue (#5200)		20,535.91
22	525	Revenues from sinking and other funds		
23	526	Miscellaneous nonoperating revenues	B-7	
24	527	Nonoperating revenue deductions - Dr.	B-8	
25		Total other income		20,535.91
26		Net income before income deductions		3,252,311.76
27				
28		III. INCOME DEDUCTIONS		
29	530	Interest on long-term debt		669,066.67
30	531	Amortization of debt discount and expense		147,448.00
31	532	Amortization of premium on debt - Cr.		
32	533	Taxes assumed on interest		
33	534	Interest on debt to associated companies		
34	535	Other interest charges	B-9	0.00
35	536	Interest charged to construction - Cr.		
36	537	Miscellaneous amortization		
37	538	Miscellaneous income deductions	B-10	334,000.00
38		Total income deductions		1,150,514.67
39		Net income		2,101,797.09
40				
41		IV. DISPOSITION OF NET INCOME		
42	540	Miscellaneous reservations of net income		
43				
44		Balance transferred to Earned Surplus or		
45		Proprietary Accounts scheduled on page 21		
46				

SCHEDULE A-1
Account 100 - Utility Plant

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1	100 - 1	Utility plant in service (Schedule A-1a)	154,059,920.89	3,991,308.43	(401,496.40)		157,649,732.92
2	100 - 2	Utility plant leased to others					
3	100 - 3	Construction work in progress	4,015,406.92			(926,787.52)	3,088,619.40
4	100 - 4	Utility plant held for future use (Sch A-1c)					
5	100 - 5	Utility plant acquisition adjustments					0.00
6	100 - 6	Utility plant in process of reclassification					
7		Total utility plant	158,075,327.81	3,991,308.43	(401,496.40)	(926,787.52)	160,738,352.32

SCHEDULE A-1a
Account 100.1 - Utility Plant in Service

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
8		I. INTANGIBLE PLANT					
9	301	Organization					
10	302	Franchises and consents (Schedule A-1b)	32,198.41				32,198.41
11	303	Other intangible plant	82,884.98				82,884.98
12		Total intangible plant	115,083.39	0.00	0.00	0.00	115,083.39
13							
14		II. LANDED CAPITAL					
15	306	Land and land rights	1,366,286.31				1,366,286.31
16							
17		III. SOURCE OF SUPPLY PLANT					
18	311	Structures and improvements	22,045.79				22,045.79
19	312	Collecting and impounding reservoirs					
20	313	Lake, river and other intakes					
21	314	Springs and tunnels					
22	315	Wells	8,835,111.46	252,635.00			9,087,746.46
23	316	Supply mains					
24	317	Other source of supply plant					
25		Total source of supply plant	8,857,157.25	252,635.00	0.00	0.00	9,109,792.25
26							
27		IV. PUMPING PLANT					
28	321	Structures and improvements	180,078.71				180,078.71
29	322	Boiler plant equipment					
30	323	Other power production equipment					
31	324	Pumping equipment	8,336,733.99	427,364.00			8,764,097.99
32	325	Other pumping plant					
33		Total pumping plant	8,516,812.70	427,364.00	0.00	0.00	8,944,176.70
34							
35		V. WATER TREATMENT PLANT					
36	331	Structures and improvements					
37	332	Water treatment equipment	2,080,172.45				2,080,172.45
38		Total water treatment plant	2,080,172.45	0.00	0.00	0.00	2,080,172.45

SCHEDULE A-1a
Account 100.1 - Utility Plant in Service (Continued)

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1		VI. TRANSMISSION AND DIST. PLANT					
2	341	Structures and improvements					26,226,056.04
3	342	Reservoirs and tanks	25,560,623.04	665,433.00			75,301,532.71
4	343	Transmission and distribution mains	73,296,301.91	2,027,351.00	(22,120.20)		1,374,676.71
5	344	Fire mains	1,374,676.71				12,933,200.52
6	345	Services	12,727,536.52	205,664.00			4,639,869.78
7	346	Meters	4,762,728.84	51,387.07	(174,246.13)		314,602.98
8	347	Meter installations	299,754.23	14,848.75			10,271,005.93
9	348	Hydrants	10,060,110.93	210,895.00			18,505.24
10	349	Other transmission and distribution plant	18,505.24				131,079,449.91
11		Total transmission and distribution plant	128,100,237.42	3,175,578.82	(196,366.33)	0.00	
12							
13		VII. GENERAL PLANT					1,766,628.00
14	371	Structures and improvements	1,766,628.00				1,474,704.10
15	372	Office furniture and equipment	1,414,438.17	135,730.61	(75,464.68)		389,268.91
16	373	Transportation equipment	518,934.30		(129,665.39)		27,712.00
17	174	Stores equipment	27,712.00				0.00
18	375	Laboratory equipment	0.00				953,355.78
19	376	Communication equipment	953,355.78				311,323.17
20	377	Power operated equipment	311,323.17				31,779.95
21	378	Tools, shop and garage equipment	31,779.95				
22	379	Other general plant					
23		Total general plant	5,024,171.37	135,730.61	(205,130.07)	0.00	4,954,771.91
24							
25		VIII. UNDISTRIBUTED ITEMS					
26	390	Other tangible property					
27	391	Utility plant purchased					
28	392	Utility plant sold					
29		Total undistributed items	0.00	0.00	0.00	0.00	0.00
30		Total utility plant in service	154,059,920.89	3,991,308.43	(401,496.40)	0.00	157,649,732.92

SCHEDULE A-1b
Account 302 - Franchises and Consents

Line No.	Name of Original Grantor (a)	Date of Grant (b)	Term in Years (c)	Date of Acquisition by Utility (d)	Amount at which Carried in Account ¹ (e)
31	County of Los Angeles	Dec-90	25	Dec-90	6,587.34
32	City of Santa Clarita	Dec-00	15	Dec-00	25,611.07
33					
34					
35	Total				32,198.41

¹ The total should agree with the balance at the end of the year in Account 302 in Schedule A-1a Line 10.

SCHEDULE A-1c
Account 100.4 - Utility 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	NONE			
2				
3				
4				
5				
6				
7				
8				
9	Total			

SCHEDULE A-2
Account 110 - Other Physical Property

Line No	Name and Description of Property (a)	Book Value End of Year (b)
10	NONE	
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24	Total	

**SCHEDULE A-1d
RATE BASE AND WORKING CASH**

Line No.	Acct.	Title of Account (a)	Balance 12/31/2009 (c)	Balance 1/1/2009 (d)
1		Utility Plant		
2		Plant in Service	157,649,732.92	154,059,920.89
3		Construction Work in Progress	3,088,619.40	4,015,406.92
4		General Office Prorate		
5		Total Gross Plant (=Line 2 + Line 3 + Line 4)	160,738,352.32	158,075,327.81
6		Less Accumulated Depreciation		
7		Plant in Service	(42,301,188.43)	(38,161,483.94)
8		General Office Prorate		
9		Total Accumulated Depreciation (=Line 7 + Line 8)	(42,301,188.43)	(38,161,483.94)
10		Less Other Reserves		
11		Deferred Income Taxes	(9,487,942.99)	(8,342,272.73)
12		Deferred Investment Tax Credit	(114,700.00)	(114,700.00)
13		Other Reserves		
14		Total Other Reserves (=Line 11 + Line 12 + Line 13)	(9,602,642.99)	(8,456,972.73)
15		Less Adjustments		
16		Contributions in Aid of Construction	(57,666,964.28)	(58,713,226.44)
17		Advances for Construction	(13,804,620.88)	(14,511,533.56)
18		Other	7,877,600.00	6,824,800.00
19		Total Adjustments (=Line 16 + Line 17 + Line 18)	(63,593,985.16)	(66,399,960.00)
20		Add Materials and Supplies	386,223.75	361,813.69
21		Add Working Cash (=Line 34)	\$ 698,900.00	\$ 698,900.00
22		TOTAL RATE BASE	46,325,659.49	46,117,624.83
23		(=Line 5 - Line 9 - Line 14 - Line 19 + Line 20 + Line 21)		

		Working Cash	
24		Determination of Operational Cash Requirement	
25		Operating Expenses, Excl Taxes, Depr. & Uncoll.	See Note 1
26		Purchased Power & Commodity for Resale*	
27		Meter Revenues: Bimonthly Billing	
28		Other Revenues: Flat Rate Monthly Billing	
29		Total Revenues (=Line 27 + Line 28)	
30		Ratio - Flat Rate to Total Revenues (=Line 28/Line 29)	
31		5/24 x Line 25 x (100% - Line 30)	
32		1/24 x Line 25 x Line 30	
33		1/12 x Line 26	
34		Operational Cash Require. (=Line 31+ Line 32 - Line 33)	\$ 698,900.00 \$ 698,900.00
		* Electric power, gas or other fuel purchased for pumping and/or purchased commodity for resale billed after receipt (metered).	
		Note 1: The calculation above does not apply since Valencia does not have bimonthly billing. The total working cash reflected on line 34 above is Valencia's working cash as adopted in its last general rate case.	

SCHEDULE A-3
Accounts 250 to 253, Inclusive - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 250 Utility Plant (b)	Account 251 Limited-Term Utility Investments (c)	Account 252 Utility Plant Acquisition Adjustments (d)	Account 253 Other Property (e)
1	Balance in reserves at beginning of year	38,148,828.28	12,655.66		
2	Add: Credits to reserves during year				
3	(a) Charged to Account 503, 504, 505 ⁽¹⁾	2,551,703.40			
4	(b) Charged to Account 265	1,882,169.16			
5	(c) Charged to clearing accounts	78,047.76			
6	(d) Salvage recovered	23,526.45			
7	(e) All other credits ⁽²⁾		5,754.12		
8	Total credits	4,535,446.77	5,754.12		
9	Deduct: Debits to reserves during year				
10	(a) Book cost of property retired	401,496.40			
11	(b) Cost of removal				
12	(c) All other debits ⁽³⁾	0.00			
13	Total debits	401,496.40	0.00		
14	Balance in reserve at end of year	42,282,778.65	18,409.78		
15					
16	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE:				2.97%
17					
18	(2) EXPLANATION OF ALL OTHER CREDITS: Amortization of Intangible Assets charged to				
19	Account #5040.				
20					
21					
22					
23					
24					
25					
26					
27	(3) EXPLANATION OF ALL OTHER DEBITS:				
28					
29					
30					
31					
32					
33					
34					
35	METHOD USED TO COMPUTE INCOME TAX DEPRECIATION:				
36	(a) Straight Line	()			
37	(b) Liberalized	()			
38	(1) Double declining balance	()			
39	(2) ACRS	()			
40	(3) MACRS	()			
41	(4) Others	()			
42	(c) Both straight line and liberalized	(X) 150% declining balance and 25-year straight line since 06/12/96.			

SCHEDULE A-3a
Account 250 - Analysis of Entries in Depreciation Reserve

(This schedule is to be completed if records are maintained showing depreciation reserve by plant accounts)

Line No.	Acct.	DEPRECIABLE PLANT (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserves During Year Excl. Cost Removal (d)	Salvage and Cost of Removal Net (Dr.) or Cr. (e)	Balance End of Year (f)
1		I. SOURCE OF SUPPLY PLANT					
2	311	Structures and improvements	14,827.89	414.46			15,242.35
3	312	Collecting and impounding reservoirs					
4	313	Lake, river and other intakes					
5	314	Springs and tunnels					
6	315	Wells	1,166,908.33	348,103.39			1,515,011.72
7	316	Supply mains					
8	317	Other source of supply plant					
9		Total source of supply plant	1,181,736.22	348,517.85	0.00	0.00	1,530,254.07
10							
11		II. PUMPING PLANT					
12	321	Structures and improvements	101,222.88	5,564.43			106,787.31
13	322	Boiler plant equipment					
14	323	Other power production equipment					
15	324	Pumping equipment	4,141,382.97	412,668.33			4,554,051.30
16	325	Other pumping plant					
17		Total pumping plant	4,242,605.85	418,232.76	0.00	0.00	4,660,838.61
18							
19		III. WATER TREATMENT PLANT					
20	331	Structures and improvements					
21	332	Water treatment equipment	68,758.23	71,557.93			140,316.16
22		Total water treatment plant	68,758.23	71,557.93	0.00	0.00	140,316.16
23							
24		IV. TRANS. AND DIST. PLANT					
25	341	Structures and improvements	0.00				0.00
26	342	Reservoirs and tanks	3,862,902.59	544,230.44			4,407,133.03
27	343	Transmission and distribution mains	16,711,318.40	1,891,044.69	(22,120.20)		18,580,242.89
28	344	Fire mains	524,049.02	27,218.60			551,267.62
29	345	Services	4,272,593.77	409,826.68			4,682,420.45
30	346	Meters	1,470,418.25	224,800.80	(174,246.13)	8,246.45	1,529,219.37
31	347	Meter installations	16,873.09	16,126.78			32,999.87
32	348	Hydrants	3,029,116.12	279,671.08			3,308,787.20
33	349	Other transmission and distribution plant	9,144.06	508.89			9,652.95
34		Total trans. and distribution plant	29,896,415.30	3,393,427.96	(196,366.33)	8,246.45	33,101,723.38
35							
36		V. GENERAL PLANT					
37	371	Structures and improvements	374,079.68	49,465.58			423,545.26
38	372	Office furniture and equipment	996,020.44	25,318.44	(75,464.68)	2,630.00	948,504.20
39	373	Transportation equipment	156,185.58	78,047.72	(129,665.39)	12,650.00	117,217.91
40	374	Stores equipment	32,619.91	6,697.99			39,317.90
41	375	Laboratory equipment	660.24	0.00			660.24
42	376	Communication equipment	990,258.23	90,950.14			1,081,208.37
43	377	Power operated equipment	192,095.48	28,299.28			220,394.76
44	378	Tools, shop and garage equipment	17,393.12	1,404.67			18,797.79
45	379	Other general plant	0.00	0.00			0.00
46	390	Other tangible property	0.00	0.00			0.00
47	391	Water plant purchased	0.00	0.00			0.00
48		Total general plant	2,759,312.68	280,183.82	(205,130.07)	15,280.00	2,849,646.43
49		Total	38,148,828.28	4,511,920.32	(401,496.40)	23,526.45	42,282,778.65

SCHEDULE A-4
Account 111 - Investments in Associated Companies

Line No.	Class of Security (a)	Name of Issuing Company (b)	Par Value End of Year (c)	Ledger Value End of Year (d)	Rate of Interest (e)	Interest Accrued During Year (f)	Interest and Dividends Received During Year (g)
1	NONE						
2							
3							
4							
5							
6							
7		Totals ¹					

¹ The total should agree with the balance at the end of the year in Account 111 on page 5.

SCHEDULE A-5
Account 112 - Other Investments

Line No.	Name and Description of Property (a)	Balance End of Year (b)
8	NONE	
9		
10		
11		
12		
13		
14		
15		
16	Total	

SCHEDULE A-6
Account 113 - Sinking Funds

Line No.	Name of Fund (a)	Balance Beginning of Year (b)	Additions During Year		Deductions During Year (e)	Balance End of Year (f)
			Principal (c)	Income (d)		
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9	Totals					

SCHEDULE A-7
Account 114 - Miscellaneous Special Funds

Line No.	Name of Fund (a)	Balance Beginning of Year (b)	Additions During Year		Deductions During Year (e)	Balance End of Year (f)
			Principal (c)	Income (d)		
10	NONE					
11						
12						
13						
14						
15						
16						
17						
18	Totals					

SCHEDULE A-8
Account 121 - Special Deposits

Name of Depository (a)	Purpose of Deposit (b)	Balance End of Year (c)
NONE		

SCHEDULE A-9
Account 124 - Notes Receivable

Maker (a)	Date of Issue (b)	Date Payable (c)	Balance End of Year (d)	Interest Rate (e)	Interest Accrued During Year (g)	Interest Received During Year (g)
NONE						
Totals						

SCHEDULE A-10
Account 126 - Receivables from Associated Companies

Due from Whom (a)	Amount (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Received During Year (e)
The Newhall Land and Farming Company	50,303.98	N/A	N/A	N/A
- Trade Accounts Receivable				
Lennar	19,972.23	N/A	N/A	N/A
- Trade Accounts Receivable				
Totals	70,276.21		0.00	0.00

SCHEDULE A-11
Account 132 - Prepayments

Item (a)	Amount (b)
#1322 Unsecured Property Taxes	5,100.00
#1323 Other	31,600.00
#1324 Insurance	304,530.00
Totals	341,230.00

SCHEDULE A-12
Account 133 - Other Current and Accrued Assets

Item (a)	Amount (b)
None	
Totals	

SCHEDULE A-13

Accounts 140 and 240 - 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 of 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 unamortized 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.

7. Explain any debits and credits other than amortization debited to Account 531, Amortization of Debt Discount and Expense, or credited to Account 532, Amortization of Premium on Debt-Credit.

Line No.	Designation of long-term debt (a)	Principal amount of securities to which discount and expense, or premium minus expense, relates (b)	Total discount and expense or net Premium (c)	AMORTIZATION PERIOD		Balance beginning of year (f)	Debits during year (g)	Credits during year (h)	Balance end of year (i)
				From- (d)	To- (e)				
1	Pacific Mutual Note Payable 1994	\$11,000,000	378,000.00	Jun-94	Jun-09	0.00	0.00	0.00	0.00
2	Wells Fargo Note Payable 2009	\$12,000,000	505,547.00	Jun-09	May-11	19,603.40	528,624.69	(174,627.19)	373,600.90
3									
4									
5									
6	TOTAL					19,603.40	528,624.69	(174,627.19)	373,600.90
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									

SCHEDULE A-14
Account 141 - Extraordinary Property Losses

Line No.	Description of Property Loss or Damage (a)	Total Amount of Loss (b)	Previously Written off (c)	WRITTEN OFF DURING YEAR		Balance End of year (f)
				Account Charged (d)	Amount (e)	
1						0.00
2	None					0.00
3						0.00
4	Total					0.00

SCHEDULE A-15
Account 146 - Other Deferred Debits

Line No.	Item (a)	Balance End of year (b)
5	#1460 Other Deferred Debits	224,256.87
6	#1463 Deferred Taxes - CIAC	1,462,168.10
7	#1464 Deferred Taxes - Advances	2,482,809.06
8	#1464 Deferred Taxes - Other	1,821,754.00
9	#1465 Regulatory Asset	1,286,288.00
10	Total	7,277,276.03

SCHEDULE A-16
Account 150 - Discount on Capital Stock

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. respect to any class or series of stock, attach a statement giving particulars of the change. State the reason for any charge-off during the year and specify the account charged.
2. If any change occurred during the year in the balance with

Line No.	Class and Series of Stock (a)	Balance End of year (b)
11	None	
12		
13	Total	

SCHEDULE A-17
Account 151- Capital Stock Expense

1. Report the balance at end of year of capital stock expense for each class and series of capital stock. respect to any class or series of stock, attach a statement giving particulars of the change. State the reason for any charge-off of capital stock expense and specify the account charged.
2. If any change occurred during the year in the balance with

Line No.	Class and Series of Stock (a)	Balance End of year (b)
14	None	
15		
16	Total	

SCHEDULE A-18
Accounts 200 and 201- Capital Stock

Line No.	Class of Stock (a)	Number of Shares Authorized by Articles of Incorporation (b)	Par Value of Stock Authorized by Articles of Incorporation (c)	Number of Shares Outstanding ¹ (d)	Total Par Value ² Outstanding End of Year (e)	Dividends Declared During Year	
						Rate (f)	Amount (g)
1	Common Stock	50,000	\$100.00	15,365	\$1,536,500.00		
2	Preferred Stock	50,000	\$500.00	2,400	\$1,200,000.00	9.5%	\$114,000.00
3							
4							
5							
6	Totals						\$114,000.00

¹ After deduction for amount of reacquired stock held by or for the respondent.
² If shares of stock have no par value, show value assigned to stock outstanding.

SCHEDULE A-18a
Record of Stockholders at End of Year

Line No.	COMMON STOCK		PREFERRED STOCK	
	Name (a)	Number Shares (b)	Name (c)	Number Shares (d)
7	The Newhall Land and Farming Company	15,365	The Newhall Land and Farming Company	2,400
8				
9				
10				
11				
12				
13				
14				
15	Total number of shares	15,365	Total number of shares	2,400

SCHEDULE A-19
Account 203 - Premiums and Assessments on Capital Stock

Line No.	Class of Stock (a)	Balance End of Year (b)
16	None	
17		
18		
19		
20		
21		
22		
23		
24	Total	

SCHEDULE A-20
Account 270 - Capital Surplus (For use by Corporations only)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	6,207,025.00
2	CREDITS (Give nature of each credit and state account charged)	
3		
4		
5	Total credits	
6	DEBITS (Give nature of each debit and state account credited)	
7		
8		
9		
10	Total debits	
11	Balance end of year	6,207,025.00

SCHEDULE A-21
Account 271 - Earned Surplus (For use by Corporations only)

Line No.	Acct	Account (a)	Amount (b)
12		Balance beginning of year	23,858,078.32
13		CREDITS	
14	400	Credit balance transferred from income account	
15	401	Miscellaneous credits to surplus (detail)	
16		2009 Income	2,101,797.09
17		Total credits	2,101,797.09
18		DEBITS	
19	410	Debit balance transferred from income account	
20	411	Dividend appropriations-preferred stock	114,000.00
21	412	Dividend appropriations-Common stock	
22	413	Miscellaneous reservations of surplus	
23	414	Miscellaneous debits to surplus (detail)	
24			
25		Total debits	114,000.00
26		Balance end of year	25,845,875.41

SCHEDULE A-22

**Account 204 - Proprietary Capital
(Sole Proprietor or Partnership)**

Line No.	Item (a)	Amount (b)
1	Balance Beginning of year	N/A
2	CREDITS	
3	Net income for year	
4	Additional investments during year	
5	Other credits (detail)	
6		
7	Total credits	
8	DEBITS	
9	Net loss for year	
10	Withdrawals during year	
11	Other debits (detail)	
12		
13	Total debits	
14	Balance end of year	

SCHEDULE A-23

**Account 205 - Undistributed Profits
of Proprietorship or Partnership**

(The use of this account is optional)

Line No.	Item (a)	Amount (b)
15	Balance Beginning of year	N/A
16	CREDITS	
17	Net income for year	
18	Other credits (detail)	
19		
20	Total credits	
21	DEBITS	
22	Net loss for year	
23	Withdrawals during year	
24	Other debits (detail)	
25		
26		
27	Total debits	
28	Balance end of year	

SCHEDULE A-24
Account 210 - Bonds

Line No.	Class of Bond (a)	Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding ¹ Per Balance Sheet (e)	Rate of Interest (f)	Sinking Fund Added in Current Year (g)	Cost of Issuance (h)	Interest Accrued During Year (i)	Interest Paid During Year (j)
1	NONE									
2										
3										
4										
5										
6										
7										
8	Totals									

¹ After deduction for amount of reacquired bonds held by or for the respondent.

**SCHEDULE A-24 (a)
CLASS A WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA**

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) loan outstanding during the 12 month reporting period. (Use one sheet for each loan.)

1. Current Fiscal Agent:

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

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

\$ _____

3. Summary of the trust bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Withdrawals made for loan payments	_____
Other withdrawals from this account	_____
Balance at end of year	_____

4. Account information:

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

SCHEDULE A-24 (b)
CLASS A WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA (continued)

5. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA 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	N/A				
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					

SCHEDULE A-25
Account 212 - Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
9					
10					
11	NONE				
12					
13	Totals				

SCHEDULE A-26
Account 213 - Miscellaneous Long Term Debt

Line No.	Nature of Obligation (a)	Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding ¹ Per Balance Sheet (e)	Rate of Interest (f)	Interest Accrued During Year (g)	Interest Paid During Year (h)
14	Note Payable	7/15/1994	6/1/2009	0.00	0.00	8%	365,900.00	440,000.00
15	Note Payable	6/1/2009	6/1/2011	12,000,000.00	12,000,000.00	4%-5%	303,166.67	259,250.00
16								
17								
18								
19								
20								
21	Totals			12,000,000.00	12,000,000.00		669,066.67	699,250.00

¹ After deduction for amount of reacquired debt held by or for the respondent.

SCHEDULE A-27
Securities Issued or Assumed During Year

Line No.	Class of Security (a)	Commission Authorization (b)	Amount Issued During Year (omit cents) (c)	Discount or Premium (d)	Expenses (e)
22					
23	NONE				
24					
25					
26	Totals				

SCHEDULE A-28
Account 220 - Notes Payable

Line No.	In Favor of (a)	Date of Issue (b)	Date of Maturity (c)	Balance End of Year (d)	Rate of Interest (e)	Interest Accrued During Year (f)	Interest Paid During Year (g)
1	NONE						
2							
3							
4							
5							
6							
7	Totals						

SCHEDULE A-29
Account 223 - Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Rate of Interest (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
8	#2235 Due to Affiliates	0.00	N/A		
9					
10					
11					
12					
13					
14	Totals	0.00		0.00	0.00

SCHEDULE A-30
Account 230 - Other Current and Accrued Liabilities

Line No.	Description (a)	Balance End of Year (c)
15	Franchise Taxes Accrued	309,990.32
16	Retention	20,367.70
17	Regulatory Commission	94,000.00
18	PUC Surcharge Accrued	(522.48)
19	Power Accrued	122,000.00
20	Imported Water Accrued	257,683.00
21	Job Closes Accrued	79,534.93
22	Other Accrual	362,372.67
23	Payroll Accrued	224,599.28
24	Vacation Accrued	133,006.09
25		
26		
27		
28		
29		
30	Total	1,603,031.51

SCHEDULE A-31
Account 228 - Accrued and Prepaid Taxes

1. This schedule is intended to give particulars of the combined prepaid and accrued tax accounts and to show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the material on which the tax was levied was charged.
2. Taxes, paid during the year and charged direct to final accounts, that is, not charged to prepaid or accrued taxes, should be included in the schedule. Enter the amounts both in columns (d) and (e). The balancing of the schedule is not affected by the inclusion of these taxes.
3. Taxes charged during the year, column (d), include taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to prepaid taxes for proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. If any tax covers more than 1 year, the required information of all columns should be show separately for each year.
5. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses.
6. See schedule entitled "TAXES CHARGED DURING YEAR," page 32, for a distribution of taxes charged, column (d) according to utility departments and accounts.
7. Do not include in this schedule entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

Line No.	Kind of Tax (See instructions)	BALANCE BEGINNING OF YEAR			Taxes Charged During Year (d)	Paid During Year (e)	Adjustments (f)	BALANCE END OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)	#1322				Taxes Accrued (Account 228) (g)	Prepaid Taxes (Incl. in Acct. 132) (h)
1	Taxes on real and personal property	1,093.53	4,470.00	(442,229.72)	446,059.68	(1,623.29)	(2,660.20)	5,100.00	
2	State corporation franchise tax	(22,148.29)		(495,913.00)	395,000.00	122,478.76	(582.53)		
3	State unemployment insurance tax	0.00		(6,548.39)	6,548.39				
4	Other state and local taxes	0.00		(1,746.24)	1,746.24				
5	Federal unemployment insurance tax	0.00		(138,241.13)	138,241.13				
6	Fed. ins. contr. act (old age retire.)	0.00							
7	Other federal taxes			(1,079,664.00)	479,311.19	676,813.24	(2,065.34)		
8	Federal income taxes	(78,525.77)				(1,145,670.26)	(9,487,942.99)		
9	Deferred income taxes	(8,342,272.73)							
10									
11									
12									
13									
14	Totals	(8,441,863.26)	4,470.00	(2,164,342.48)	1,466,906.63	(348,001.55)	(9,493,251.06)	5,100.00	

SCHEDULE A-32
Account 241 - Advances for Construction

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year		14,511,533.56
2	Additions during year		
3	Subtotal - Beginning balance plus additions during year		14,511,533.56
4	Charges during year		
5	Refunds		
6	Percentage of revenue basis		
7	Proportionate cost basis		
8	Present worth basis	706,912.68	
9	Total refunds		706,912.68
10	Transfers to Acct 265 - Contributions in Aid of Construction		
11	Due to expiration of contracts		
12	Due to present worth discount		
13	Total transfers to Acct. 265		0.00
14	Securities Exchanged for Contracts (enter detail below)		
15	Subtotal - Charges during year		706,912.68
16	Balance end of year		13,804,620.88

If stock, bonds, etc., were issued in exchange for construction advance contracts give details below:

Line No.	Type of Security or Other Consideration (Other than Cash) (a)	Dividend or Interest Rate (b)	PUC Decision Number (c)	Amount Issued (d)
17	Common stock			None
18	Preferred stock			None
19	Bonds			None
20	Other (describe)			None
21				
22				

SCHEDULE A-33
Account 242 - Other Deferred Credits

Line No.	Item (a)	Balance End of Year (b)
1	#2420-2422 Other Deferred Credits	4,176,522.00
2	#2423 Deferred Revenue - CIAC	362,216.56
3		
4		
5		
6	Total	4,538,738.56

SCHEDULE A-34
Accounts 254 to 258, Inclusive - Miscellaneous Reserves

Line No.	Account (a)	Balance Beginning of Year (b)	DEBITS		CREDITS		Balance End of Year (g)
			Nature of Items (c)	Amount (d)	Account Charged (e)	Amount (f)	
7							
8							
9	NONE						
10							
11							
12							
13	Totals						

SCHEDULE A-35

Account 265 - Contributions in Aid of Construction

Instructions for Preparation of Schedule of Contributions in Aid of Construction

- 1 The credit balance in the account other than that portion of the balance relating to nondepreciable property (column d), to property retired prior to January 1, 1955 (column e), and to the estimated amount of depreciation accrued to January 1, 1955 (column f), shall be written off through charges to this account and credits to Account 250 - Reserve for Depreciation of Utility 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 250, if the property is retired prior to the service life originally estimated, the balance in this account with respect to the retired property shall be transferred to the depreciation reserve account.
- 2 That portion of the balance applicable to nondepreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such nondepreciable property acquired by donation or through use of donated funds shall be credited to the appropriate plant account and charged to this account to clear the credit balance carried herein.
- 3 That portion of the balance representing donations on property retired prior to January 1, 1955 (column e), and the amount of depreciation accrued to January 1, 1955, on property in service (column f), shall not be transferred from this account or otherwise disposed of without first receiving written authorization from the Commission.

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 (e)	Depreciation Accrued through Dec. 31, 1954 on Property in Service at Dec. 31, 1954 (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year		58,713,226.44			
2	Add: Credits to account during year		835,907.00			
3	Contributions received during year					
4	Other credits*		59,549,133.44			
5	Total credits					
6	Deduct: Debits to account during year		1,882,169.16			
7	Depreciation charges for year					
8	Nondepreciable donated property retired					
9	Other debits*		1,882,169.16			
10	Total debits		57,666,964.28			
11	Balance end of year					

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

SCHEDULE B-1
Account 501 - Operating Revenues

Line No.	Acct.	ACCOUNT (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
1		I. WATER SERVICE REVENUES			
2	601	Metered sales to general customers			
3		601.1 Commercial sales 6011,12,15,16,18,19,92,95	16,350,674.80	16,359,451.30	(8,776.50)
4		601.2 Industrial sales 6014, 17	1,233,215.22	1,268,588.95	(35,373.73)
5		601.3 Sales to public authorities 6013	2,726,039.62	2,784,203.47	(58,163.85)
6		Sub-total	20,309,929.64	20,412,243.72	(102,314.08)
7	602	Unmetered sales to general customers			
8		602.1 Commercial sales			
9		602.2 Industrial sales			
10		602.3 Sales to public authorities			
11		Sub-total	0.00	0.00	0.00
12	603	Sales to irrigation customers			
13		603.1 Metered sales 6030, 31	195,103.24	172,355.45	22,747.79
14		603.2 Unmetered sales			
15		Sub-total	195,103.24	172,355.45	22,747.79
16	604	Private fire protection service 6040, 41, 42	772,467.76	775,143.82	(2,676.06)
17	605	Public fire protection service			
18	606	Sales to other water utilities for resale			
19	607	Sales to governmental agencies by contracts			
20	608	Interdepartmental sales			
21	609	Other sales or service 6090,91,94	79,639.55	129,144.40	(49,504.85)
22		Sub-total	852,107.31	904,288.22	(52,180.91)
23		Total water service revenues	21,357,140.19	21,488,887.39	(131,747.20)
24		II. OTHER WATER REVENUES			
25	611	Miscellaneous service revenues 6110, 6112	20,255.00	17,965.00	2,290.00
26	612	Rent from water property			
27	613	Interdepartmental rents			
28	614	Other water revenues 6111, 6093, 6140-44	78,083.27	248,553.45	(170,470.18)
29		Total other water revenues	98,338.27	266,518.45	(168,180.18)
30	501	Total operating revenues	21,455,478.46	21,755,405.84	(299,927.38)

SCHEDULE B-1a
Operating Revenues Apportioned to Cities and Towns

Line No.	Location (a)	Operating Revenues (b)
31	Operations not within incorporated cities ¹	
32	LA County Code 3	
33	LA County Code 4	
34	SEE ATTACHED	
35	Operations within incorporated territory	
36	City or town of Santa Clarita City Code 1	
37	City or town of Santa Clarita City Code 2	
38	City or town of	
39	City or town of	
40	City or town of	
41		
42		
43		
44		

¹ Should be segregated to operating districts.

SCHEDULE B-1a

VALENCIA WATER COMPANY
County Ordinance: 91-0042F
City Ordinance: 91-5
Calendar Year 2009

Total Reported Revenue for Year 2009 by City and County Codes

City Code 1	\$7,855,383.76
City Code 2	5,825,219.94
County Code 3	706,832.39
County Code 4	<u>7,154,821.37</u>
	<u><u>\$21,542,257.46</u></u>

Codes 1 and 2	Within the City of Santa Clarita
Codes 3 and 4	Within unincorporated Los Angeles County
Codes 1 and 3	VWC has prior rights easement
Codes 2 and 4	Occupancy in Public R/W is by Franchise

SCHEDULE B-2
Account 502 - Operating Expenses - Class A, B, and C Water Utilities

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
			A	B	C			
1		I. SOURCE OF SUPPLY EXPENSE						
2		Operation						
3	701	Operation supervision and engineering	A	B	589,911.37	572,075.99	17,835.38	
4	701	Operation supervision, labor and expenses						
5	702	Operation labor and expenses	A	B	99,764.99	61,881.78	37,883.21	
6	703	Miscellaneous expenses	A		0.00	0.00	0.00	
7	704	Purchased water	A	B	C	4,376,340.32	4,030,353.86	345,986.46
8		Maintenance						
9	706	Maintenance supervision and engineering	A	B				
10	706	Maintenance of structures and facilities						
11	707	Maintenance of structures and improvements	A	B				
12	708	Maintenance of collect and impound reservoirs	A					
13	708	Maintenance of source of supply facilities		B				
14	709	Maintenance of lake, river and other intakes	A					
15	710	Maintenance of springs and tunnels	A					
16	711	Maintenance of wells	A		100,587.55	196,379.75	(95,792.20)	
17	712	Maintenance of supply mains	A					
18	713	Maintenance of other source of supply plant	A	B				
19		Total source of supply expense			5,166,604.23	4,860,691.38	305,912.85	
20		II. PUMPING EXPENSES						
21		Operation						
22	721	Operation supervision and engineering	A	B				
23	721	Operation supervision labor and expense						
24	722	Power production labor and expense	A					
25	722	Power production labor, expenses and fuel		B				
26	723	Fuel for power production	A					
27	724	Pumping labor and expenses	A	B				
28	725	Miscellaneous expenses	A					
29	726	Fuel or power purchased for pumping	A	B	C	1,617,562.44	1,661,236.03	(43,673.59)
30		Maintenance						
31	729	Maintenance supervision and engineering	A	B	252,360.29	238,800.18	13,560.11	
32	729	Maintenance of structures and equipment						
33	730	Maintenance of structures and improvements	A	B				
34	731	Maintenance of power production equipment	A	B				
35	732	Maintenance of pumping equipment	A	B	194,762.76	256,202.46	(61,439.70)	
36	733	Maintenance of other pumping plant	A	B				
37		Total pumping expenses			2,064,685.49	2,156,238.67	(91,553.18)	

SCHEDULE B-2

Account 502 - Operating Expenses - Class A, B, and C Water Utilities (Continued)

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
			A	B	C			
1		III. WATER TREATMENT EXPENSES						
2		Operation						
3	741	Operation supervision and engineering	A	B				
4	741	Operation supervision, labor and expenses			C			
5	742	Operation labor and expenses	A			175,347.29	173,906.19	1,441.10
6	743	Miscellaneous expenses	A	B		284,829.00	186,500.83	98,328.17
7	744	Chemicals and filtering materials	A	B		255,764.73	217,349.54	38,415.19
8		Maintenance						
9	746	Maintenance supervision and engineering	A	B				
10	746	Maintenance of structures and equipment			C			
11	747	Maintenance of structures and improvements	A	B				
12	748	Maintenance of water treatment equipment	A	B				
13		Total water treatment expenses				715,941.02	577,756.56	138,184.46
14		IV. TRANS. AND DIST. EXPENSES						
15		Operation						
16	751	Operation supervision and engineering	A	B		0.00	0.00	0.00
17	751	Operation supervision, labor and expenses			C			
18	752	Storage facilities expenses	A			49,440.00	42,880.00	6,560.00
19	752	Operation labor and expenses		B				
20	753	Transmission and distribution lines expenses	A					
21	754	Meter expenses	A			32,500.00	2,776.76	29,723.24
22	755	Customer installations expenses	A					
23	756	Miscellaneous expenses	A			64,613.42	65,106.66	(493.24)
24		Maintenance						
25	758	Maintenance supervision and engineering	A	B				
26	758	Maintenance of structures and plant			C			
27	759	Maintenance of structures and improvements	A	B				
28	760	Maintenance of reservoirs and tanks	A	B		146,454.87	117,556.27	28,898.60
29	761	Maintenance of trans. and distribution mains	A			268,355.68	386,917.13	(118,561.45)
30	761	Maintenance of mains		B				
31	762	Maintenance of fire mains	A					
32	763	Maintenance of services	A			308,575.38	233,131.02	75,444.36
33	763	Maintenance of other trans. and distribution plant		B				
34	764	Maintenance of meters	A			63,692.62	20,666.90	43,025.72
35	765	Maintenance of hydrants	A			38,658.59	68,759.99	(30,101.40)
36	766	Maintenance of miscellaneous plant	A					
37		Total transmission and distribution expenses				972,290.56	937,794.73	34,495.83

SCHEDULE B-2

Account 502 - Operating Expenses - Class A, B, and C Water Utilities (Continued)

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Brackets) (d)
			A	B	C			
1		V. CUSTOMER ACCOUNT EXPENSES						
2		Operation						
3	771	Supervision	A	B		269,560.79	286,752.83	(17,192.04)
4	771	Superv., meter read., other customer acct expenses			C			
5	772	Meter reading expenses	A	B				
6	773	Customer records and collection expenses	A			388,466.38	422,777.56	(34,311.18)
7	773	Customer records and accounts expenses		B				
8	774	Miscellaneous customer accounts expenses	A					
9	775	Uncollectible accounts	A	B	C	99,000.00	137,500.00	(38,500.00)
10		Total customer account expenses				757,027.17	847,030.39	(90,003.22)
11		VI. SALES EXPENSES						
12		Operation						
13	781	Supervision	A	B				
14	781	Sales expenses			C			
15	782	Demonstrating and selling expenses	A					
16	783	Advertising expenses	A					
17	784	Miscellaneous sales expenses	A					
18	785	Merchandising, jobbing and contract work	A					
19		Total sales expenses				0.00	0.00	0.00
20		VII. ADMIN. AND GENERAL EXPENSES						
21		Operation						
22	791	Administrative and general salaries	A	B	C	642,770.92	527,968.46	114,802.46
23	792	Office supplies and other expenses	A	B	C	424,328.98	392,507.93	31,821.05
24	793	Property insurance	A			704,754.96	729,568.29	(24,813.33)
25	793	Property insurance, injuries and damages		B	C			
26	794	Injuries and damages	A			45,179.29	44,508.09	671.20
27	795	Employees' pensions and benefits	A	B	C	570,874.72	1,621,188.10	(1,050,313.38)
28	796	Franchise requirements	A	B	C	291,258.00	292,276.00	(1,018.00)
29	797	Regulatory commission expenses	A	B	C	105,528.00	105,528.00	0.00
30	798	Outside services employed	A			554,859.68	352,499.56	202,360.12
31	798	Miscellaneous other general expenses		B				
32	798	Miscellaneous other general operation expenses			C			
33	799	Miscellaneous general expenses	A			479,493.70	468,466.24	11,027.46
34		Maintenance						
35	805	Maintenance of general plant	A	B	C	161,435.89	132,462.92	28,972.97
36		Total administrative and general expenses				3,980,484.14	4,666,973.59	(686,489.45)
37		VIII. MISCELLANEOUS						
38	811	Rents	A	B	C			
39	812	Administrative expenses transferred - Cr.	A	B	C	(148,760.00)	(136,050.00)	(12,710.00)
40	813	Duplicate charges - Cr.	A	B	C	0.00	0.00	0.00
41		Total miscellaneous				(148,760.00)	(136,050.00)	(12,710.00)
42		Total operating expenses				13,508,272.61	13,910,435.32	(402,162.71)

SCHEDULE B-3
Account 506 - Property Losses Chargeable to Operations

Line No.	Description (a)	Amount
1	NONE	
2		
3		
4		
5		
6		
7		
8	Total	0.00

SCHEDULE B-4
Account 507 - Taxes Charged During Year

1. This schedule is intended to give the account distribution of total taxes charged to operations and other final accounts during the year.

2. Do not include gasoline and other sales taxes which have been charged to accounts to which the material on which the tax was levied was charged. If the actual or estimated amounts of such taxes are known, they should be shown as a footnote and designated whether estimated or actual amounts.

3. The accounts to which taxes charged were distributed should be shown in columns (c) to (f). Show both the utility department and number of account charged except for taxes capitalized.

4. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis of apportioning such tax.

5. The total taxes charged as shown in column (b) should agree with the amounts shown by column (d) of schedule entitled "Accrued and Prepaid Taxes," page 24.

6. Do not include in this schedule entries with respect to deferred income taxes, or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

Line No.	Kind of Tax (a)	Total Taxes Charged During Year (b)	DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)			
			Water (Account 507) (c)	Nonutility (Account 521) (d)	Other (Account -----) (e)	Capitalized (Omit Account) (f)
9	Taxes on real and personal property	442,229.72	442,229.72			
10	State corp. franchise tax	495,913.00	495,913.00			
11	State unemployment insurance tax	6,548.39	6,263.39			285.00
12	Other state and local taxes	1,746.24	1,670.24			76.00
13	Federal unemployment insurance tax	138,241.13	132,232.13			6,009.00
14	Federal insurance contributions act					
15	Other federal taxes					
16	Federal income tax	1,079,664.00	1,079,664.00			
17						
18						
19						
20						
21						
22	Totals	2,164,342.48	2,157,972.48	0.00	0.00	6,370.00

SCHEDULE B-5

Reconciliation of Reported Net Income With Taxable Income for Federal 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 in-

come as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members

3. Show taxable year if other than calendar year from----to----

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 7.....	2,101,797
2	Reconciling amounts (list first additional income and unallowable deductions, followed by additional	
3	deductions for non-taxable income):	
4	Income Tax Expense	1,575,577
5	Pre-tax income	3,677,374
6		
7		
8	T&E 50%	5,426
9	Deferred revenue grossup	(65,807)
10	CIAC grossup received	16,682
11	Association Dues	30,199
12	Domestic Production Activities	(37,240)
	Business Meals	21,801
13	Repayment of 89-91 loans	26,896
14	Regulatory Reserve	94,000
15	Bad Debt Reserve	(19,493)
16	Accrued Vacation / Incentive	6,359
17	CIAC received	47,662
18	Advance refunds	(424,800)
19	Repayment of 92-96 loans	44,039
20	Section 263a capitalized G&A	170,296
21	Tax loss on Sale/Abandonment	9,636
22	Capitalized Interest	183,890
23	Tax/Book depreciation difference	(1,651,747)
24	Pension Expense	(869,708)
25	Prior year state taxes	(468,338)
26	Miscellaneous	246,002
27	Federal Taxable Income	1,043,129
28	Federal tax rate	34%
29	Current federal tax payable	354,664
30	Deferred federal tax	725,000
31	Total federal tax expense	1,079,664
32		
33	STATE:	
34	Federal Taxable Income	1,043,129
35	Adjustments to get to state taxable income	3,661,765
36	State Taxable Income	4,704,894
37	State tax rate	8.84%
38	Current state tax payable	415,913
39	Deferred state tax	80,000
40		495,913
41		
42	Total Income Tax Expense	1,575,577
43	Federal tax net income.....	
44	Computation of tax:	
45		
46		
47	Tax per return	

SCHEDULE B-6
Account 521 - Income from Nonutility Operations

Line No.	Description (a)	Revenue (b)	Expenses (c)	Net Income (d)
1				
2	NONE			
3				
4				
5	Totals			

SCHEDULE B-7
Account 526 - Miscellaneous Nonoperating Revenue

Line No.	Description (a)	Amount (b)
6		
7	NONE	
8		
9		
10		
11		
12		
13	Totals	

SCHEDULE B-8
Account 527 - Nonoperating Revenue Deductions (Dr.)

Line No.	Description (a)	Amount (b)
14		
15	NONE	
16		
17		
18	Total	

SCHEDULE B-9
Account 535 - Other Interest Charges

Line No.	Description (a)	Amount (b)
19	NONE	
20		
21		
22	Total	0.00

SCHEDULE B-10
Account 538 - Miscellaneous Income Deductions

Line No.	Description (a)	Amount (b)
23	PACIFIC LIFE COMMISSION FEE	240,000.00
24	BALANCE MEMO ACCOUNT	94,000.00
25		
26		
27	Total	334,000.00

SCHEDULE C-1
Engineering and Management Fees and Expenses, etc., During Year

	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 respondents 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		
Line No.			
1	1	Did the respondent have a contract or other agreement with any organization or person covering supervision and/or management of its own affairs during the year?	
2			
3		Answer (Yes or No)	YES
4	2	Name of each organization or person that was a party to such a contract or agreement	
5			The Newhall Land and Farming Company (NLF)
6	3	Date of original contract or agreement.	1/5/94 Copy provided with 1994 report
7	4	Date of each supplement or agreement.	
8			See attached 2009 Annual Contracts for intercompany services at Schedule E-4, Affiliated Transactions
9			Note: File with the 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.
10			
11			
12	5	Amount of compensation paid during the year for supervision or management	\$146,760
13	6	To whom paid	Same as above
14	7	Nature of payment	General & Administrative, Info Systems, Income Taxes
15	8	Amounts paid for each class of service	G&A and Info Systems \$133,680
16			Income Taxes \$13,080
17	9	Base for determination of such amounts	Study of comparable amounts
18			
19	10	Distribution of payments:	
20	(a)	Charged to operating expenses	\$146,760
21	(b)	Charged to capital accounts	0
22	(c)	Charged to other accounts	0
23		Total	\$146,760
24	11	Distribution of charges to operating expenses by primary accounts.	
25		Number and Title of Account	
26			7925 Intercompany G&A
27			
28			
29		Total	\$146,760
30	12	What relationship, if any, exists between respondent and supervisory and/or managing concerns?	NLF owns 100% of Valencia Water Company
31			

SCHEDULE C-2

Compensation of Individual Proprietor or Partner

Do operating expenses include any charge for owner's compensation in the form of salary or wages, rental allowances, or for the use of a private automobile. (If the word "none" truly states the fact it should be given as the answer to this inquiry.)

Line No.	Nature of Allowance (a)	Account Charged (b)	Amount (c)
1			
2	NONE		
3			
4			
5			
6	Total		

SCHEDULE C-3

Employees and Their Compensation

(Charged to Account 502 - Operating Expenses - Schedule B-2)

Line No.	Classification (a)	Number at End of Year (b)	Total Salaries and Wages Paid During Year (c)
7	Employees - Source of supply	12	589,911.37
8	Employees - Pumping	5	252,360.29
9	Employees - Water treatment	3	175,347.29
10	Employees - Transmission and distribution		
11	Employees - Customer account	7	269,560.79
12	Employees - Sales		
13	Employees - Administrative	9	637,191.14
14	General officers		
15	General office		
16	Totals	36	1,924,370.88

SCHEDULE C-4

Record of Accidents During Year

Line No.	Date of Accident (a)	TO PERSONS					TO PROPERTY			
		Employees on Duty		Public ¹		Total Number (f)	Company		Other	
		Killed (b)	Injured (c)	Killed (d)	Injured (e)		Number (g)	Amount (h)	Number (i)	Amount (j)
17						NONE				
18										
19										
20	Totals									

¹ Accidents to employees not on duty should be included in "Public" accidents

SCHEDULE C-5
Expenditures for Political Purposes

Hereunder report all direct or indirect expenditures incurred or made to elect or defeat a candidate for public office; or to place any measure on the ballot; at any election, or to keep it from being placed on the ballot at any election, or to support or defeat any measure on the ballot; at an election, or to support or defeat any proposed legislation, also name the account or accounts to which the expenditures herein mentioned have been charged. (If the word "none" truly states the fact, it should be given as the answer to this inquiry.)

1	California Water Association PAC	\$6,000
2		
3		
4		
5		

SCHEDULE C-6
Loans to Directors, or Officers, or Shareholders

Show hereunder the amount of loans to directors, or officers, or shareholders and the terms and conditions of such loans. Among other things, show the name of each director, or officer, or shareholder, receiving a loan or loans, the amount of each loan, the rate of interest payable on such loan or loans, the maturity date of each loan or loans, the security given and the date when the shareholders authorized each loan. If such authorization was given. (If the word "none" truly states the fact, it should be given as the answer to this inquiry.)

6	None
7	
8	
9	
10	
11	

**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 Claim	Capacity	Diversions Max.	Min.		
1									
2	NOT APPLICABLE								
3									
4									
5									

WELLS							Annual Quantities Pumped(Unit) ²	Remarks
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	¹ Depth to Water	Pumping Capacity(Unit) ²		
6								
7	SEE ATTACHED SCHEDULE D-1							
8								
9								
10								

TUNNELS AND SPRINGS				FLOW IN(Unit) ²		Annual Quantities Used(Unit) ²	Remarks
Line No.	Designation	Location	Number	Maximum	Minimum		
11							
12	NOT APPLICABLE						
13							
14							
15							

Purchased Water for Resale							
16	Purchased from	Castaic Lake Water Agency					
17	Annual quantities purchased	14,731.86			(Unit chosen) ²	ACRE FEET	
18							
19							

* State ditch, pipe line, reservoir, etc., with name, if any.

¹ Average depth to water surface below ground surface.

² The quantity unit in established use for expressing water stored and used in large amounts is the acre foot, which equals 42,560 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.

**SCHEDULE D-2
Description of Storage Facilities**

Line No.	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
20	A. Collecting reservoirs			
21	Concrete			
22	Earth			
23	Wood			
24	B. Distribution reservoirs			
25	Concrete			
26	Earth			
27	Wood			
28	C. Tanks			
29	Wood			
30	Metal	24	52.88	million gallons
31	Concrete	1	2.00	million gallons
32	Totals	25	54.88	million gallons

VALENCIA WATER COMPANY

SCHEDULE D-1 WELLS

	PLANT	LOCATION	DIMENSIONS (CASING DIA. X DEPTH)	STANDING WATER DEPTH (FT.)	PUMPING CAPACITY (GPM)	ANNUAL PUMPAGE (AF)
(1)	159	PICO CANYON	14" X 1900'	108	500	26.36
(2)	160	SCE SUBSTATION	16" X 2000'	62	2,000	955.02
(3)	201	VALENCIA BLVD	18" X 1700'	97	2,400	135.69
(4)	205	VALENCIA BLVD	18" X 1950'	100	2,700	715.78
(5)	206	MAGIC MOUNTAIN	18" X 2060'	56	2,500	1,598.65
(6)	D	HASLEY CANYON	18" X 142'	28	1,050	559.18
(7)	E15	COMMERCE CENTER	18" x 180'	37	1,400	713.92
(8)	I	AVENUE SCOTT	12" X 172'	21	0	0.00
(9)	N	PARDEE FIELD	16" X 280'	31	1,250	932.95
(10)	N7	PARDEE FIELD	18" X 200'	28	2,500	1,488.08
(11)	N8	PARDEE FIELD	18" X 210'	29	2,500	1,298.42
(12)	Q2	BOUQUET CYN	18" X 158'	38	1,200	1,090.46
(13)	U4	LA AQUEDUCT	14" X 130'	49	1,000	823.75
(14)	U6	SOLEDAD	18" X 176'	43	1,250	566.14
(15)	W9	SAN FRANCISQUITO	14" X 160'	35	800	1,209.89
(16)	W10	SAN FRANCISQUITO	16" X 190'	45	1,500	1,130.53
(17)	W11	SAN FRANCISQUITO	18" X 180'	31	1,000	422.17
(18)	S6	BRIDGEPORT	18" X 230'	34	2,000	1,127.25
(19)	S7	BRIDGEPORT	18" X 240'	29	2,000	100.12
(20)	S8	BRIDGEPORT	18" X 231'	39	2,000	116.80
(21)	T7	RIVER VILLAGE	18" X 140'	46	1,200	879.34
						<u>15,890.50</u>

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES
Capacities in Cubic Feet Per Second or Miner's Inches (State Which) _____

Line No.		0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume								
3	Lined conduit								
4									
5	Totals								N/A

A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES - Concluded
Capacities in Cubic Feet Per Second or Miner's Inches (State Which) _____

Line No.		101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								
7	Flume								
8	Lined conduit								
9									
10	Totals								N/A

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING

Line No.		4	6	8	10	12	14	16	18	sub total
11	Cast Iron									0
12	Cast Iron (cement lined)	760	410	90	378	1,685	280	33,318	6,170	43,091
13	Concrete									0
14	Copper									0
15	Riveted steel									0
16	Standard screw									0
17	Screw or welded casing									0
18	Cement - asbestos	13,581	124,015	220,865	102,696	118,189	74,320	44,165	5,562	703,393
19	Welded steel		248	4,167	519		27,071	11,611	6,767	50,383
20	Wood									0
21	Other - PVC	12,935	96,928	324,849	110,726	196,848	75,175	132,560	62,030	1,012,051
22	Totals	27,276	221,601	549,971	214,319	316,722	176,846	221,654	80,529	1,808,918

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - Concluded

Line No.		20	21	24	27	30	36	Other Sizes (Specify Sizes)		Total All Sizes
									sub total	
23	Cast Iron								0	0
24	Cast Iron (cement lined)	1,123		2,520	320	2,783	5,580		12,326	55,417
25	Concrete								0	0
26	Copper								0	0
27	Riveted steel								0	0
28	Standard screw								0	0
29	Screw or welded casing								0	0
30	Cement - asbestos	3,229							3,229	706,622
31	Welded steel	3,260	1,859	1,920	9,511		321		16,871	67,254
32	Wood								0	0
33	Other - PVC	9,149		9,587					18,736	1,030,787
34	Totals	16,761	1,859	14,027	9,831	2,783	5,901	0	51,162	1,860,080

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

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
Commercial (including domestic)	27,262	27,353		
Industrial	453	451		
Public authorities	638	646		
Irrigation	3	3		
Other: Metered Construction	179	182		
Other - Recycled	10	10		
Subtotal	28,545	28,645	0	0
Private fire connections			1,379	1,303
Public fire hydrants				
Total	28,545	28,645	1,379	1,303

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

Size	Meters	Services
5/8 x 3/4 - in	982	982
3/4 - in	24,439	24,439
1 - in	474	474
1 1/2 - in	423	423
2 - in	2,003	2,082
3 - in	232	232
4 - in	52	190
6 - in	22	803
8 - in	11	277
8 - in +	7	46
Total	28,645	29,948

**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	124
2. Used, before repair	32
3. Used, after repair	0
4. Found fast, requiring billing adjustment	0
B. Number of Meters in Service Since Last Test	
1. Ten years or less	21,092
2. More than 10, but less than 15 years	2,726
3. More than 15 years	4,827

SCHEDULE D-7
Water delivered to Metered Customers by Months and Years in Ccf (Unit Chosen)¹

Classification of Service	During Current Year												Subtotal	
	January	February	March	April	May	June	July	August	September	October	November	December		Total
Commercial	539,261	576,156	478,591	630,541	735,420	1,049,831	916,268							4,926,068
Industrial	43,643	41,908	35,721	41,537	57,026	75,732	86,533							382,100
Public authorities	53,404	62,721	26,625	92,993	163,817	233,403	215,359							848,322
Irrigation	4,761	4,952	993	4,595	8,691	33,684	13,800							71,476
Other - Metered Construction	384	422	1,809	1,067	1,353	2,529	771							8,335
Other - Recycled	1,223	2,757	2,291	11,695	14,476	13,516	19,007							64,965
Total	642,676	688,916	546,030	782,428	980,783	1,408,695	1,251,738							6,301,266
Classification of Service	During Current Year												Subtotal	
	August	September	October	November	December	Subtotal	Total	Prior Year						
Commercial	1,056,127	1,131,324	1,106,814	741,609	654,890	4,690,764	9,616,832	10,495,736						
Industrial	80,561	86,230	93,079	68,924	59,755	388,549	770,649	874,235						
Public authorities	244,735	271,734	265,045	150,035	124,697	1,056,246	1,904,568	2,142,182						
Irrigation	21,562	20,222	22,294	14,056	5,958	84,092	155,568	147,364						
Other - Metered Construction	1,352	1,346	1,570	9,327	252	13,847	22,182	41,975						
Other - Recycled	25,851	24,163	12,033	13,641	9,217	84,905	149,870	161,348						
Total	1,430,188	1,535,019	1,500,835	997,592	854,769	6,318,403	12,619,669	13,862,840						

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 >100,000 _____

**SCHEDULE E-1
Balancing & Memorandum Accounts**

Line No.	Description (a)	Authorized by Decision or Resolution No. (b)	Beginning of Year Balance (c)	Offset Revenues (d)	Offset Expenses (e)	Interest (f)	Surcharge (g)	Surcredit (h)	End of Year Balance (i)
1	Pchsd. Power Balancing Acct	Res. W-2818	(\$14,224)	\$0	\$93,288	\$5			\$79,059
2	Pchsd. Water Balancing Acct	Res. W-2818	(\$72,200)	\$771,630	(\$1,148,446)	(\$284)			(\$449,300)
3	Litigation Memo Account	Res. W-4094	\$2,596,325		(\$29,495)	\$6,787			\$2,573,617
4	LIRA Memo Account	D.07-06-024	(\$16,296)	\$14,063	(\$24,527)	(\$54)			(\$26,814)
5	Cost of Capital Memo Account	D.09-07-038	\$0		(\$107,250)	(\$48)			(\$107,298)
6	Military Family Relief Program	AB-1666	\$0						\$0
7	2007 GRC Intervener	D.07-06-024	\$0						\$0
8			\$0						\$0

Note 1: For Columns d, e, f, g, & h, provide those amounts booked in the current year.

Note 2: The detail for each individual account includes the Beginning of Year Balance, End of Year Balance, each Offset Expense adjustment during the year, each Offset Revenue adjustment during the year, each Surcharge adjustment during the year, each Surcredit adjustment during the year, and the decision or resolution number associated with each item of detail.

Schedule E- 2
Description of Low-Income Rate Assistance Program(s)

For all low income rate assistance programs offered by water utility, provide detailed responses to the following items:

1. Brief description of each low-income rate assistance program provided, by district. This shall include but is not limited to the percent of discount, the dollar amount of discount, what rate is discounted (service charge, quantity, or total bill), qualifying income level, dollar rate increase to remaining customers to pay for this program.

Valencia implemented its Low-Income Rate Assistance (LIRA) program in February 2007. The program provides a 50% discount on the monthly service charge for qualifying residential customers having a 1-inch or smaller meter. The qualifying income levels are based on the CARE program for electric and gas service. All non-qualifying customers pay a surcharge of \$0.04 per month to pay for this program.

2. Participation rate for Year 2009 (as a percent of total customers served).

Participation rate was 1.0% (319 of 29,948 customers).

3. Detail of balancing or memorandum account authorized to record expenses incurred and revenues collected for low income rate assistance program.

The LIRA memorandum account will include LIRA credits, surcharge revenues, incremental costs, franchise fees, uncollective accounts and monthly interest.

Schedule E- 3
Description of Water Conservation Program(s)

For all water conservation programs offered by water utility, provide detailed responses to the following items:

See the attached Description of Water Conservation Programs.

1. Brief description of each water conservation program provided, by district. This description shall include but not be limited to the type of program offered (such as provision of low-flow plumbing fixtures, leak detection, leak repair, written water conservation tips, or other similar programs to its customers) and length of time it was offered.
2. Discuss how is each water conservation assistance program funded, for example, through rates charged to all customers, rates charged to customer receiving water conservation assistance, shareholder contribution, community funding, government funding, or other funding method. Explain why this type of funding was used.
3. Cost of each program.
4. The degree of participation in each district by customer group.

Schedule E-3

Description of Water Conservation Programs for 2009 CPUC Annual Report

California's urban water conservation programs are coordinated by the California Urban Water Conservation Council ("CUWCC"). Founded in 1991, the CUWCC is charged with developing and encouraging conservation through the implementation of the 14 Best Management Practices ("BMPs") outlined in the CUWCC Memorandum of Understanding ("MOU") regarding Urban Water Conservation in California. The MOU is an agreement that commits signatories to carry out all cost effective water BMPs for a period of 10 years.

These BMPs are the state standard for conservation and many of the state's largest urban water suppliers are signatories to the MOU. Valencia Water Company ("VWC") became a signatory in June of 2006 and in doing so, pledges a good faith effort to comply with the requirements of all BMPs where cost effective.

As of December 10, 2008, CUWCC's 14 BMPs are now organized into five categories. Two categories, Utility Operations and Education, are "Foundational BMPs", because they are considered to be essential water conservation activities by any utility and are adopted for implementation by all signatories to the MOU as ongoing practices with no time limits. The remaining BMPs are "Programmatic BMPs" and are organized into Residential, Commercial, Industrial, and Institutional (CII), and Landscape categories.

Further, the CUWCC now allows BMP compliance under one of three methods; Traditional BMP's, Flex Track (allowing flexibility in the methods to achieve the specific BMP savings goals) and Gallons Per Capita Day (GPCD) (Steering Committee approved the GPCD option June 11, 2009). These are relatively recent changes that have not yet been fully analyzed by VWC. Therefore, to simplify this reporting process, VWC will continue to refer to the BMP's by their old number.

The following is a brief description of VWC's conservation programs and practices that are currently in operation.

BMP 1 Water Survey Programs for Single and Multi Family Residential Customers

Summary of Program #1. VWC offers a Free Residential Water Audit Program that helps its customers identify areas where water use can be more efficient and conservation-oriented. To implement this program, VWC has retained the services of the consulting firm WaterWise Consulting, Inc. WaterWise contacts VWC's customers and offers complete indoor/outdoor water use surveys. The goal of the program is to provide customers with an understanding of where and how much water is being used on the property, identify inefficient water use, and offer monetary incentives for the replacement of high water use devices such as toilets and irrigation controllers. WaterWise will also offer surveys to all of VWC's registered Low Income customers. VWC spent \$44,000 for this program's contracted labor in 2009 and surveyed 173 single family homes and 0 multifamily homes. This program began February 1, 2007 and was active for all of 2009. VWC's goal is to survey 500 single family and multi family units per year. Funding for this program is through general rates.

Summary of Program #2. VWC has contracted with Resource Action Programs® and through cooperation with local schools provides an education and retrofit kit for 6th grade students designed to teach families and communities about conservation and increase environmental awareness. The program is proven to generate immediate water and energy savings and is collectively funded by VWC, Southern California Gas and Southern California Edison. VWC spent \$25,000 on its portion of this program in 2009 and reached close to 1060 homes. This program began February 1, 2007 and was active through the first half of 2009. Funding for this program is through general rates.

BMP 2 Residential Plumbing Retrofits

Summary of Program #1. VWC has integrated this program into the Free Residential Water Audit Program. Retrofit items include low-flow showerheads, tank displacements tools, leak detecting dyes and faucet aerators. Retrofit items will be installed by WaterWise consultants per customer request. This program began February 1, 2007 and was active all of 2009. Funding for this program is through general rates.

Summary of Program #2. VWC's Smart Irrigation Controller Distribution Program offers qualified customers a free Smart irrigation controller and weather monitor. The Smart controller determines the optimal amount of water to apply in a landscape based on different algorithms that take into consideration evapotranspiration (ET) rates of a region and other site specific factors such as soil type, soil moisture, slope, plant type, etc.

Only one Smart controller will be installed per site. The program is open to owners of single family residences. To qualify, applicants must be a VWC residential customer and meet certain irrigation and landscape area requirements. Additionally, qualified

applicants must attend a company sponsored 3-hour seminar to learn conservation concepts and how to program and operate the Smart controllers.

During 2009, VWC spent \$17,000 and installed 118 Smart irrigation controllers from this program. Costs of the program are included in general rates.

BMP 3 System Water Audits, Leak Detection and Repair

Summary of Program. VWC annually reviews water purchases and production versus the sale of water to measure total system water losses. VWC utilizes the leak detection capability of its radio meters to identify leaks and notify customers of potential problems, and identified distribution system leaks are immediately repaired. VWC also operates an aggressive maintenance program that replaced approximately 500 aging water meters in 2009. As a result of the aggressive maintenance program, system losses have remained below the level requiring a major system wide audit. This program was conducted throughout 2009 and will continue in 2010. Funding for this program is provided through rates.

BMP 4 Metering With Commodity Rates for All Connections

Summary of Program. VWC customers are fully metered. There are no un-metered services within the customer base.

BMP 5 Large Landscape Conservation Programs

Summary of Program. VWC retains the services of the consulting firm Resource Management Corporation to implement a strategy to target large water users in the Commercial/Industrial/Institutional mixed-use service category and offer water audits

that identify ways that these customers can improve water efficiency outdoors as well as adding a component to identify savings and efficiencies indoors. During 2009 VWC has conducted 8 mixed-use surveys, and to date has conducted 76 mixed-use surveys. Also Valencia conducted 18 landscape surveys in 2009, and to date has conducted 18 landscape surveys, for properties served with dedicated meters dedicated to irrigation. Funding for this program is provided through rates.

Starting in 2008, as a condition of AB 1881, VWC began requiring separate water meters for non single family properties with landscape areas greater than 5,000 square feet as a condition of new water service for non single family homes. Although not required by the new law, VWC will also look for opportunities to convert existing customers with large landscapes to separate irrigation meters. During 2009, VWC spent \$3,000 to convert 1 mixed-use services customer to separately meter their irrigation. To date, Valencia has installed 5 sub-meters to separately track irrigation use at its mixed use meter customers. This will enhance VWC's ability to implement irrigation water budgets in the future on large landscape areas. Funding for this program is provided by VWC.

BMP 7 Public Information Programs

Summary of Program. VWC provides several informational outreach strategies to the public. Information on efficient water use is posted on the company's website, at its main office, and directly in customer water bills. Additionally, VWC representatives are present at local events to answer questions in person and distribute water conservation information and distribute low-flow retrofit devices. Funding for this program is provided through rates.

The Landscape Education Program is a community project provided by VWC's wholesaler, Castaic Lake Water Agency ("CLWA"). The program is an effort to increase water awareness in the Santa Clarita Valley ("SCV") and offers a classroom and garden setting for those who want to learn more about gardening and conservation. In addition, and free to the public, is a seven acre garden demonstrating irrigation systems, plants, and plant groupings that are appropriate to water-conserving landscapes in Southern California. Funding for this program is from CLWA.

These programs were provided to VWC's customers throughout 2009 and will continue to be provided in 2010.

During 2009, additional public information was provided about the state wide drought a long with messages requesting a voluntary 10% conservation by all Santa Clarita Valley customers. This public information campaign included, among other things, radio spots, newspaper ads, interviews, bill boards, television, bill inserts and public events. This campaign was financed by CLWA and the Santa Clarita Valley retail purveyors. Valencia Water Company's share was \$27,000. Funding for this effort was provided by Valencia Water Company.

BMP 8 School Education Programs

Summary of Program. VWC places high priority on educating children about the importance of protecting our local water resources. As evidence of this priority,

- a. VWC has worked in cooperation with CLWA for several years to provide an education program for school-aged children (K-8th grade). The program administered by CLWA, at the Rio Vista Water Treatment Plant, is called School Education Program. It provides interactive student activities that present interesting and age-appropriate water treatment and conservation topics. Over 13,000 students are signed up each year. This program was provided to VWC's customers throughout 2009 and will continue to be provided in 2010. Funding for this program is provided by CLWA.
- b. VWC has directly worked with local schools as discussed under BMP 1-Program # 2.

BMP 9 Conservation Programs: Commercial, Industrial, and Institutional Accounts

Summary of Program. VWC has retained the services of the consulting firm Resource Management Corporation to provide a free water audit service to Commercial /Industrial/Institutional ("CII") customers. Resource Management Corporation has worked to improve water use efficiency in settings, such as restaurants, schools, hotels and manufacturing companies. A number of recommendations made by the consulting firm have been implemented. Recommendations include devices such as pre-rinse spray nozzles, efficient toilets and urinals, cooling tower conductivity controllers, high-efficiency clothes washers, irrigation clock management and the use of drought tolerant plant material. VWC spent \$55,000 on this program in 2009 to conduct 20 water surveys/audits. Since this program started, VWC has conducted 124 CII water surveys/audits. Funding for this program is provided in rates. This program will be continued in 2010 on a modified basis and primarily funded by CLWA

BMP 11 Conservation Pricing

Summary of Program. VWC maintains a rate structure consistent with BMP 11's definition of conservation pricing. Approximately 70% of our metered service revenues are generated by the commodity charge. The price per unit is constant; therefore, the greater the consumption, the greater the cost to the customer. This rate structure was in effect throughout 2009 and will continue in 2010

The company implemented its WaterSmart allocation (WSA) program (i.e. Water Budgets) to individually metered residential homes in December 2009 with no changes to rates. The WSA has five separate usage classifications that will be tied to a tiered rate structure in 2011. During 2008 and 2009 the Company spent \$98,000 to research water budgets, design a pilot study and develop the WaterSmart Allocation Program. Additionally we spent \$20,000 on outreach efforts to our customers about the WSA program. The outreach efforts included mailers, information on the Valencia website and customer bills, meetings with focus groups, City Council members, Town Councils, and customers' one on one at public events and WBIC classes. Funding for this was provided by Valencia Water Company.

BMP 12 Conservation Coordinator

Summary of Program. VWC maintains an active conservation coordinator position to manage conservation programs. Funding for this position is through general rates. During 2009, Valencia Water Company added a second conservation coordinator

position that was funded by Valencia Water Company. The duties of the coordinators were split into Residential and CII/Large Landscape so that each could target a specific market.

BMP 13 Water Waste Prohibitions

Summary of Program. VWC discourages the negligent or excessive use of water. VWC includes water waste prohibitions in its tariffs. The voluntary provisions are encouraged at all times. However, mandatory restrictions are enforced only during drought conditions.

In 2008 and 2009, VWC and the other Santa Clarita Valley water purveyors (SCV purveyors) worked cooperatively to monitor available water supplies and demand. The SCV purveyors called for a voluntary 10% conservation effort from SCV customers. This resulted in decreased VWC demand from 32,177 AFY in 2007 to 29,205 AFY in 2009.

BMP 14 Residential High Efficiency Toilet (HET) Replacement Program

Summary of Program # 1. VWC works in cooperation with CLWA to provide a highly visible toilet rebate program. The program provides rebates for the replacement of high water using toilets in homes built prior to 1992 (3.5 gallons per flush or greater) with toilets with 1.28 gallons per flush or less HETs. During 2009, 340 toilet rebates were given out under this program. Funding for this program is provided by CLWA.

Summary of Program #2. VWC also has its own replacement program. This program is offered to all residential customers and is designed to “fill the gaps” of the CLWA funded program. VWC’s toilet program provides rebates for the replacement of any toilet with 1.6 gallons per flush or greater with 1.28 gallons per flush HETs. This program is a supplement, and is not intended to replace CLWA’s toilet rebate program. During 2009, VWC spent \$17,250 for 137 rebates on this program. Funding for this program is provided by VWC.

Additionally, in 2009 VWC provided an additional \$6,000 incentive at a multi family senior center complex to complete the replacement of toilets with 1.28 gallons per flush HETs started in 2008. This incentive was funded by VWC.

SCV Water Conservation Strategic Plan

In 2007, VWC and the other water companies in the SCV started the development of a valley-wide conservation plan (the “Plan”). The Plan, completed in late 2008, identifies measures and programs to make water use more efficient in the SCV. VWC spent \$63,000 on this Plan (\$51,000 in 2007 and \$12,000 in 2008). VWC’s share of the Plan costs was funded by VWC.

The new programs in the Plan started being implemented in mid 2009 and the remainder will be implemented in 2010. CLWA will fund five of the six Programs and VWC will fund the remaining program in its service territory.

Schedule E- 4
Report on Affiliate Transactions

Affiliate includes all related companies including but not limited to Parent, Affiliates, and Subsidiaries.

INSTRUCTIONS:

* For those utilities with specifically authorized affiliate transaction rules, provide all information required by those rules.

See attached Affiliated Transaction Report in accordance with D.07-09-026

* For those utilities with no specifically authorized affiliate transaction rules, or those utilities whose authorized affiliate transaction rules do not provide the following information, provide the following:

1. Summary of all transactions between regulated water utility and its affiliated companies for the previous calendar year. The summary shall include a description of each transaction and an accounting of all dollars associated with each transaction although each transaction need not be separately identified where multiple transactions occur in the same account. These transactions shall include:

- (a) services provided by regulated water utility to any affiliated company;
- (b) services provided by any affiliated company to regulated water utility;
- (c) assets (both tangible and intangible) transferred from regulated water utility to any affiliated company;
- (d) assets (both tangible and intangible) transferred from any affiliated company to regulated water utility;
- (e) employees transferred from regulated water utility to any affiliated company;
- (f) employees transferred from any affiliated company to regulated water utility; and
- (g) financing arrangements and transactions between regulated water utility and any affiliated company.

ANNUAL REPORT OF
VALENCIA WATER COMPANY
AFFILIATED TRANSACTIONS
2009

In accordance with Decision No. 07-09-026 and the associated Affiliated Transaction Rules, Valencia Water Company ("Valencia") hereby files its annual report of affiliated transactions for the year 2009.

A. Services Provided by Valencia to any Affiliated Company

1. Water Revenues: During 2009, Valencia sold water to affiliated companies in accordance with its Commission approved tariffs. The amount of water revenues from affiliated companies was \$619,734.

B. Services Provided by Affiliated Companies to Valencia

1. Inter-company Services: Valencia received services from its parent company pursuant to written contracts (attached):
 - General and Administrative services - \$58,200
 - Information Systems services - \$75,480
 - Federal and State Income Tax and Property Tax services - \$13,080
2. Employee Benefits: Valencia reimbursed its parent company for the cost of employee benefits provided to its employees during 2009 for medical, dental, and life insurance, long-term disability, employee savings and retirement plans. The amount represents a pass through of actual costs incurred by the parent, i.e., the employer's share of the benefit costs - \$386,747.
3. Board of Directors: Valencia paid \$18,000 for services provided by members of Valencia's Board of Directors that work for its parent or affiliated companies.
4. Miscellaneous Services: Valencia received other services from its parent company as follows:
 - GPS Survey of Valencia Water Meters - \$32,500

C. Assets Transferred between Valencia and any Affiliated Company

Valencia does not nor has it ever paid for easements from any affiliated companies to serve their projects or for Valencia funded projects that benefit all of its customers. Therefore, Valencia's ratebase does not reflect any costs associated with these real estate interests.

1. Easements: Valencia recorded four (4) easements from affiliated companies for land rights to construct various water utility plant. Valencia did not pay its affiliates for these easement rights.
2. Fee Parcels: Valencia recorded zero (0) fee parcels from affiliated companies for land rights to construct various water utility plant.
3. Quit Claim Deeds: Valencia recorded zero (0) quit claim deeds to an affiliated company for easements that are no longer necessary for utility service and to avoid the potential liability associated with these easements

D. Employees Transferred between Valencia and any Affiliated Company

During 2009, two employees were transferred between Newhall Land, Valencia's parent company, and Valencia.

E. Financing Arrangements and Transactions Between Valencia and Any Affiliated Company

There were no financing arrangements between Valencia and its affiliated companies during 2009.

F. Transactions between Valencia and Affiliated Companies for Construction of Water Distribution Plant

In accordance with Rule 15, Valencia refunded \$430,477 to affiliated companies from deposits made to construct water distribution plants.

G. Dividends Paid

- Valencia paid no dividends to its parent company during 2009.

H. Intercompany Balances Outstanding

Valencia had the following balances related to affiliated transactions on its books as of December 31, 2009:

- Accounts Receivable (for water sales) - \$70,276
- Accounts Payable - \$0
- Dividends Payable - \$114,000
- CIAC - \$34,501,246
- Construction Deposits - \$248,224
- Common Stock - \$1,536,500
- Preferred Stock - \$1,200,000



Valencia Water Company

631 Avenue Rockefeller • P.O. BOX 5904 • Valencia, CA 91385-5904
(661) 294-0828 • Fax (661) 294-3806

Letter of Authorization Exhibit A

Authorization Number: 2009-05
General Agreement Number: 1115
Name: Administrative Services

Account Number: 8963.09
Consultant: Newhall Land & Farming Co.

This letter constitutes Authorization under the above-reference Contract. All services performed under this Authorization shall be in accordance with the terms and conditions of such Contract.

The scope of work to be done under this Authorization is as follows: Provide financial accounting, treasury, risk management, legal, personnel, internal audit and other administrative services in accordance with attached memorandum dated 12/22/2008.

Compensation for services under this Authorization will be paid as follows: One twelfth of the annual fee shall be paid each month until December 31, 2009.

The maximum authorized for the service under this Authorization, including reimbursables, is \$58,200.00 (Fifty eight thousand two hundred dollars) and such amount shall not be exceeded without Company's prior written approval.

Services under this Authorization shall be commenced by January 1, 2009 and completed no later than December 31, 2009, but not before this contract has been executed by both parties.

Invoices must include the following information:

- Authorization Number
- General Agreement Number
- Account and/or Job Number
- Total invoiced to date for entire Authorization
- Description of work or services performed
- Total amount authorized hereunder

Please direct invoices and all questions regarding services to be done under this Authorization to Beverly Johnson, Valencia Water Company Controller.

If this Authorization is acceptable to you, please indicate your acceptance by signing both originals and returning both to our office. We will return an executed copy to you for your records.

NEWHALL LAND & FARMING, CO.

VALENCIA WATER COMPANY

By: Donald L. Kimball

By: Robert D. Parris

Its: Senior Vice President and Chief Financial Officer

Its: President

Date: 1/3/2009

Date: 1-6-09

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Valencia Water Company

24631 Avenue Rockefeller • P.O. BOX 5904 • Valencia, CA 91385-5904
(661) 294-0928 • Fax (661) 294-3806

Letter of Authorization Exhibit A

Authorization Number: 2009-04
General Agreement Number: 1115
Name: Information Systems Services

Account Number: 8963.09
Consultant: Newhall Land & Farming Co.

This letter constitutes Authorization under the above-reference Contract. All services performed under this Authorization shall be in accordance with the terms and conditions of such Contract.

The scope of work to be done under this Authorization is as follows: Provide information systems services in accordance with attached memorandum dated 12/22/2008.

Compensation for services under this Authorization will be paid as follows: One twelfth of the annual fee shall be paid each month until December 31, 2009.

The maximum authorized for the service under this Authorization, including reimbursables, is \$75,480.00 (Seventy five thousand four hundred eighty dollars) and such amount shall not be exceeded without Company's prior written approval.

Services under this Authorization shall be commenced by January 1, 2009 and completed no later than December 31, 2009, but not before this contract has been executed by both parties.

Invoices must include the following information:

- Authorization Number
- General Agreement Number
- Account and/or Job Number
- Total invoiced to date for entire Authorization
- Description of work or services performed
- Total amount authorized hereunder

Please direct invoices and all questions regarding services to be done under this Authorization to Beverly Johnson, Valencia Water Company Controller.

If this Authorization is acceptable to you, please indicate your acceptance by signing both originals and returning both to our office. We will return an executed copy to you for your records.

NEWHALL LAND & FARMING, CO.

VALENCIA WATER COMPANY

By: *Donald L. Kimball*
Donald L. Kimball

By: *Robert M. Puccio*

Its: Senior Vice President and Chief Financial Officer

Its: President

Date: 1/3/2009

Date: 1-6-09

56-4

Valencia Water Company



331 Avenue Rockefeller • P.O. BOX 5904 • Valencia, CA 91385-5904
16611 294-0828 • Fax 16611 294-3806

Letter of Authorization Exhibit A

Authorization Number: 2009-03

Account Number: 8963.09

General Agreement Number: 1115

Consultant: Newhall Land & Farming Co.

Same: Prepare and File 2008 Tax Returns

This letter constitutes Authorization under the above-reference Contract. All services performed under this Authorization shall be in accordance with the terms and conditions of such Contract.

The scope of work to be done under this Authorization is as follows: Prepare and file 2008 federal and state income and property tax returns and estimated tax payments in accordance with attached memorandum dated 12/22/2008.

Compensation for services under this Authorization will be paid as follows: One twelfth of the annual fee shall be paid each month until December 31, 2009.

The maximum authorized for the service under this Authorization, including reimbursables, is \$13,080.00 (thirteen thousand eighty dollars) and such amount shall not be exceeded without Company's prior written approval.

Services under this Authorization shall be commenced by January 1, 2009 and completed no later than December 31, 2009, but not before this contract has been executed by both parties.

Invoices must include the following information:

- Authorization Number
- General Agreement Number
- Account and/or Job Number
- Total invoiced to date for entire Authorization
- Description of work or services performed
- Total amount authorized hereunder

Please direct invoices and all questions regarding services to be done under this Authorization to Beverly Johnson, Valencia Water Company Controller.

If this Authorization is acceptable to you, please indicate your acceptance by signing both originals and returning both to our office. We will return an executed copy to you for your records.

NEWHALL LAND & FARMING, CO.

VALENCIA WATER COMPANY

By: D. Kimball
Donald L. Kimball

By: Robert Altman

Its: Senior Vice President and Chief Financial Officer

Its: President

Date: 1/3/2009

Date: 1-6-09

56-5

DATE: December 22, 2008

TO: Files

FROM: Beverly Johnson
Controller

SUBJECT: 2009 Inter-company Services

Valencia Water Company's parent company, Newhall Land, provides extensive services to Valencia on a routine basis as part of its normal business processes. Although Valencia is a wholly owned subsidiary of Newhall, Valencia is treated as one of Newhall's divisions for purposes of accounting, information systems, treasury, risk management, legal and all other services provided. Therefore, Valencia benefits from the economies of scale that Newhall realizes by handling these services on a much larger scale than Valencia would on a standalone basis. Furthermore, Valencia is benefiting from economies of scale realized under Newhall's new ownership structure since the January 27, 2004 acquisition of Newhall by an entity jointly owned by Lennar Corporation and LNR Property Corporation ("Lennar").

Valencia projects approximately \$147,000 per year for services to be received from Newhall employees, including finance professionals, various levels of accounting professionals and income tax professionals (several of which are CPAs), human resource professionals, and information systems experts. If Valencia were to obtain all of these services on its own, the cost would be far greater than \$147,000. We would incur not only the additional salary expense, but other expenses such as the associated employee benefits expense, costs for office space, office equipment and furniture. Without the sharing of personnel and costs, made possible only by the affiliation with Newhall, there would be no ability to receive such a wide range of services for only \$147,000 per year.

Following is a description of the services Valencia receives from Newhall.

1. Financial Accounting: Valencia is tied into Newhall's accounting system and receives the same services that all Newhall divisions receive, including:
 - Accounts payable control (i.e., verification of proper approvals) both before and after checks are cut (postage for checks included)
 - Cut, sign and mail all payroll checks (postage included)
 - Storage and retrieval of all accounting documents (all documents are imaged for online access and microfilmed for record retention)
 - Fixed asset management and control
 - Project cost reporting

- Write and maintain all company policies and procedures, updating as necessary for changes in the business environment
 - Negotiate fees for external auditors to ensure the company receives audit services at a competitive price.
2. Treasury: All financial services including:
- Cash management
 - Maintain banking relationships
 - Primary responsibility for all lending transactions (line of credit renewals, debt financing, etc.)
3. Income Tax:
- Calculate quarterly estimated tax payments
 - Prepare and file annual income tax return
 - Resolve property tax issues with LA County
 - Prepare and file Annual Return for Report of Employee Benefit Plans (for all employee benefit programs)
 - Consult and advise on all taxation issues as needed
4. Risk Management:
- Manage all insurance policies ensuring the company is adequately protected at competitive prices
 - Obtain lower insurance premiums for Valencia based on relationships with brokers and insurance companies
 - Handle filing of all insurance claims
 - Follow up and monitor all claims filed to ensure proper settlement
 - Implement and maintain Certificate of Insurance tracking program for all vendors.
 - Maintain complete safety program including quarterly inspections, providing safety training schedule to comply with OSHA requirements, provide safety training materials, and hold quarterly safety committee meetings to address safety related issues.
5. Personnel and payroll:
- Handle all human resource issues, including hiring, termination, disciplinary actions, leaves of absence, and all related documentation requirements.
 - Manage all employee benefit programs, including retirement plan, employee savings plan, life insurance, disability, medical / dental insurance, employee vacation and sick leave.
 - Provide all payroll related services including cutting payroll checks, payroll tax filings, employee W-2 forms, pre-tax employee benefit programs, paycheck direct deposit.
 - Monitor and enforce court orders received for employee wage garnishment for child support, medical insurance, child care, or other court ordered wage garnishments.

- Management training programs – onsite and offsite training for leadership, coaching, ethics, etc.
 - Write and maintain all personnel policies and procedures
6. Information Systems: Provide services related to information systems, including:
- Consult and advise on complex system issues such as network storage requirements and system backup issues.
 - Provide virus scanning and security protection on all incoming electronic files, and respond when viruses do infect the system.
 - Provide assistance with all system implementations, such as accounting system implementation and upgrades, cash processing system implementation and upgrades, etc. System implementations and upgrades typically involve major effort and coordination between Newhall's I/S and accounting departments, for which Valencia receives full benefit at generally no cost and very few labor hours.
 - Maintain e-mail system
 - Manage data storage and recovery systems
 - Provide network administrator to deal with network issues

Occasionally, Newhall may perform a larger scale special project that goes beyond the scope of the normal services provided. For such projects, Newhall will then bill Valencia additional charges based on the employee hours dedicated to that specific project.

The economies of scale Valencia realizes by being part of Newhall's programs is not easily quantifiable. However, this inherent savings is passed on to the ratepayers through reduced expenses, which would otherwise be higher. For example, Valencia's insurance policies were non-renewed due to changes in the insurance industry. We would have had difficulty obtaining any new insurance if not for our relationship with Newhall. Additionally, the benefit of being part of a larger organization is reflected in lower costs for health care coverage provided to employees, as well as various other employee benefits programs. Another example is our recent renewal of a bank line of credit. Newhall's treasury department negotiated the entire renewal, and Valencia only had to make a cursory review of the agreement and pay the renewal fee. These are examples of the types of services Valencia receives from Newhall which are not easily quantifiable.

Services from Lennar:

After the acquisition of Newhall by Lennar on January 27, 2004, some of the services that used to be provided by Newhall were transitioned over to Lennar. The annual cost of these services was calculated to be \$10,000, and was reduced from the fees paid to Newhall in 2006 and later. Valencia is not currently paying Lennar for these services. The services provided by Lennar are described below.

1. Legal: Lennar has in-house counsel who provide various services to all its divisions as follows:
- Advise on all matters with potential legal ramifications, including contract negotiations, vendor insurance requirements, personnel matters, current litigation,

corporate and regulatory compliance issues, and any other legal matters as needed.

- Monitors all lawsuits and claims
- Negotiates lower legal fees and expenses based on Lennar's relationship with legal firms (i.e., firms are required to use only approved vendor for copying services, firms are prohibited from charging for faxes, etc.)
- The legal services provided to Valencia are extremely critical due to the various lawsuits in which Valencia is involved (e.g., litigation regarding pinhole leaks in pipes, perchlorate litigation, Water Management Program litigation, Urban Water Management Plan litigation, potential for unfounded toxic tort liability claims).

2. Internal Audit: Ensure the company is protected by adequate internal controls and policies and procedures.

- Performs periodic audits of various operational and business processes, including new system implementations to ensure proper internal controls are in place to properly safeguard the company's assets.
- Provides written reports and recommendations on all internal reviews and audits and presents its reports and recommendations to Valencia's senior management.
- Assists with developing policies and procedures during new system implementations to ensure proper segregation of duties and proper internal control.

**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: Not Applicable

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:

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	Not Applicable				
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

Please provide the following information relating to Facilities Fees for districts or subsidiaries servicing 2,000 or fewer connections for the calendar year. (Per D.91-04-068)

1. Trust Account Information: Not Applicable

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:

DECLARATION

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

I, the undersigned

Officer

Officer, Partner or Owner

of

Valencia 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 from and including January 1, 2009 to and including December 31, 2009.

(date)

SIGNED

Robert J. [Signature] (date)

Title

President

Date

3-27-10

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