

Received

Examined _____

**CLASS D
WATER UTILITIES**

U# 118

**2017
ANNUAL REPORT
OF**

Corrected, Revised and Refiled June 13, 2018

ALTOS SONOMA CORPORATION

DBA: KENWOOD VILLAGE WATER COMPANY

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

4982 SONOMA HIGHWAY

SANTA ROSA, CALIFORNIA 95409
(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2017**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2018

KENWOOD VILLAGE WATER COMPANY 2017 ANNUAL REPORT SUMMARY AND RETURN ON INVESTMENT

Summary of Earnings

Gross Revenue	Schedule B-1	466,059
Operating Expenses	Schedule B-2	251,261
Depreciation Expense	Schedule A-2	21,737
Taxes Other Than Income	Schedule B-3	11,068
State Income Tax	Schedule B-3	15,805
Federal Tax Income	Schedule B-3	58,706

Total Deductions 358,577

Net Income 107,482

Rate Base Data Average

	1/1/2017	12/31/2017	
Land	28,794	28,794	28,794
Depreciable Plant	1,615,728	1,821,560	1,718,644
Total WPIS	1,644,522	1,850,354	1,747,438
			[765,108], includes SDWBA plant
Accumulated Depreciation	[754,239]	[775,976]	
NET WPIS	890,283	1,074,378	982,331
Plant Held, Future Use	-	-	-
CWIP	300	-	150
Advances	-	-	-
Accumulated Net CIAC	[263,329]	[330,953]	[297,141]
Net Platnt Investment	627,254	743,425	685,340
Working Cash	18,573	20,938	19,556
Materials & Supplies	3,496	655	2,076

Rate Base

Net WPIS	982,331
Plus CWIP	150
Less Accumulated Net CIAC	[297,141]
Plus Working Cash	19,556
Plus Materials & Supplies	2,076

Rate Base 706,972

Rate of Return on Investment 15.20%

Total Revenue includes surcharges for recover of Lost Revenue Memo Accounts.

Out of period income inflates the R of R. Revenue inflated by \$30,377. and R of R inflated by 4.3%.

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INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NO LATER THAN MARCH 31, 2018**, with:

CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION
ATTN: BRUCE DEBERRY
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298
bmd@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 Declaration on Page 22 must be signed by an authorized officer, partner, or owner.
4. The report must be prepared in accordance with the CPUC Excel annual report template. The Excel file and a PDF of the file is to be submitted to the Commission.
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. When entering dollar amounts, enter whole dollars.
6. Certain balance sheet and income statement accounts refer to supplemental schedules. Complete the supplemental schedules **FIRST**. The balances in these schedules will then auto-fill the appropriate boxes in the balance sheet/income statement. Total and subtotal boxes are automatically summed in Excel. Auto-filled and summed boxes are Excel locked and identified by a light coloring of the box. Uncolored boxes can be manually filled. Complete the statements by filling in the uncolored boxes where appropriate.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference, it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2017, through December 31, 2017. Fiscal year reports will not be accepted.

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

KENWOOD VILLAGE WATER COMPANY
 (Name under which corporation, partnership or individual is doing business)

4982 SONOMA HIGHWAY, SANTA ROSA, CALIF. 95409
 (Official mailing address)

KENWOOD, SONOMA COUNTY
 (Service Area - Town and County)

Telephone Number: (707) 539-6397 **Fax Number:** (707) 539-6399

Email Address: julie@mfcomputing.com

GENERAL INFORMATION
 (Attach a supplementary statement, if necessary)
 RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

1. If a corporation show:
 - (A) Date of organization August-95 incorporated in the State of CALIFORNIA
 - (B) Names, titles and addresses of principal officers: James B. & Kathleen Downey, President and Secretary
26000 Newbridge Road Los Altos Hills, Calif. 940
2. If unincorporated provide the name and address of the owner(s) or the partners:

3. Name, title, and telephone number of:
 - (A) One person listed above to receive correspondence: **Julie Cavaz , Manager (707)539-6397**
 - (B) Person responsible for operations and services:
4. Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) No
 If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged?
5. State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:

PUBLIC HEALTH STATUS

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

Yes	No	Latest Date
x		17-Apr
x		16-Dec
x		12-Jul

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

Troy Bathke, T-2, D-2, 23410, 27367
Danney McVay II T-2, D-3, 12383,16603

12. This annual report was prepared by:

Name of firm or consultant: Julie Cavaz, Manager

Address of firm or consultant: 4982 Sonoma Hwy. Santa Rosa, CA 95409

Phone Number of firm or consultant: 707-539-6397

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-

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-

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

Row No.	Description of Non-Tariffed Goods/Services	Active or Passive	Total Revenue Derived from Non-tariffed Goods/Services by account	Revenue Account Number	Total Expenses Incurred to Provide Non-tariffed Goods/Services by account	Goods/Services Account Number	Expense Account Number	Advice Letter and/or Resolution Number Approving Non-tariffed Goods/Services by account	Total Income Tax Liability Incurred Because of Non-tariffed Goods/Services by account	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-tariffed Goods/Services by account	Regulated Asset Account Number
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												

SCHEDULE A
BALANCE SHEET
Assets and Other Debits
As of 12/31/17

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)
1		UTILITY PLANT		
2	101	Water Plant in Service (Excluding SDWBA/SRF, Grant Funds)	A-1, A-1a	1,424,263
3	101.1	Water Plant in Service - SDWBA/SRF	A-1, A-1b	426,091
4	101.2	Water Plant in Service - Grant Funds	A-1, A-1c	-
5	101.3	Water Plant in Service - Other	A-1	-
6	103	Water Plant Held for Future Use	A-1	-
7	104	Water Plant Purchased or Sold	A-1	-
8	105	Construction Work in Progress - Water Plant	A-1	-
9	105.1	Construction Work in Progress - SDWBA/SRF	A-1	-
10	105.2	Construction Work in Progress - Grant Funds	A-1	-
11	105.3	Construction Work in Progress - Other	A-1	-
12	114	Water Plant Acquisition Adjustments	A-1	-
13		Total Utility Plant		\$ 1,850,354
14	108	Accumulated Depreciation of Water Plant	A-2	(349,885)
15	108.1	Accumulated Amortization of SDWBA/SRF loan	A-2	(426,091)
16	108.2	Accumulated Depreciation of Water Plant - Grant Funds	A-2	-
17	108.3	Accumulated Depreciation of Water Plant - Other	A-2	-
18		Total Accumulated Depreciation/Amortization		\$ 775,976
19		Net Utility Plant		\$ 1,074,378
20				
21		INVESTMENTS		
22	121	Non-utility Property and Other Assets		
23	122	Accumulated Depreciation of Non-Water Utility Property	A-2	-
24		Net non-utility property		\$ -
25	123	Investments in Affiliated Companies		
26	124	Other Investments		
27		Total Investments		\$ -
28				
29		CURRENT AND ACCRUED ASSETS		
30	131	Cash	1	15,771
31	132	Cash - Special Deposits KFF		26,789
32	141	Accounts Receivable - Customers		
33	142	Receivables from Affiliated Companies		
34	143	Accumulated Provision for Uncollectible Accounts		
35	151	Materials and Supplies		655
36	174	Other Current Assets		
37		Total current and accrued assets		43,215
38				
39	180	Deferred Charges		
40	181	Accumulated Deferred Income Tax Assets		
41				
42		Total Assets and Other Debits		\$ 1,341,905

SCHEDULE A
BALANCE SHEET
Liabilities and Other Credits
As of 12/31/17

Line No.	Acct. No.	Title of Account (a)	Schedule Number (b)	Balance End of Year (c)
1		CORPORATE CAPITAL AND RETAINED EARNINGS		
2	201	Common Stock	A-3	-
3	204	Preferred Stock	A-4	-
4	206	Subchapter S Corporation Accumulated Adjustments Account	A-6	-
5	211	Other Paid-in Capital	A-7	-
6	215	Retained Earnings	A-8	967,580
7		Total corporate capital and retained earnings		\$ 967,580
8				
9		PROPRIETARY CAPITAL		
10	218	Proprietary Capital	A-9	-
11				
12		LONG TERM DEBT		
13	224	Long-term Debt	A-10	-
14				
15		CURRENT AND ACCRUED LIABILITIES		
16	230	Payables to Affiliated Companies		
17	231	Accounts Payable		16,183
18	232	Short-term Notes Payable		-
19	233	Customer Deposits		400
20	236	Taxes Accrued		
21	237	Interest Accrued		
22	241	Other Current Liabilities		16,583
23		Total current and accrued liabilities		16,583
24				
25		DEFERRED CREDITS		
26	252	Advances for Construction		-
27	253	Other Credits KFF		26,789
28	255	Accumulated Deferred Investment Tax - Credits		
29	282	Accumulated Deferred Income Taxes - Accel. Tax Depreciation		
30	283	Accumulated Deferred Income Tax Liabilities		
31		Total deferred credits		26,789
32				
33		CONTRIBUTIONS IN AID OF CONSTRUCTION		
34	271	Contributions in Aid of Construction		454,454
35	272	Accumulated Amortization of Contributions (negative number)		(123,503)
36		Net Contributions in Aid of Construction		\$ 330,953
37		Total Liabilities and Other Credits		\$ 1,341,905

SCHEDULE A-1 UTILITY PLANT							
Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	Plant (Retirements) During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water Plant in Service (Sch A-1a)	-	-	-	-	\$ 1,424,263
2	101.1	Water Plant In Service - SDWBA/SRF (Sch A-1b)	-	-	-	-	\$ 426,091
3	101.2	Water Plant In Service - Grant Funds (Sch A-1c)	-	-	-	-	\$ -
4	101.3	Water Plant In Service - Other	-	-	-	-	\$ -
5	103	Water Plant Held for Future Use (Sch A-1d)	-	-	-	-	\$ -
6	104	Water Plant Purchased or Sold	-	-	-	-	\$ -
7	105	Construction Work in Progress - Water Plant	-	-	-	-	\$ -
8	105.1	Construction Work in Progress - SDWBA/SRF	-	-	-	-	\$ -
9	105.2	Construction Work in Progress - Grant Funds	-	-	-	-	\$ -
10	105.3	Construction Work in Progress - Other	-	-	-	-	\$ -
11	114	Water Plant Acquisition Adjustments	-	-	-	-	\$ -
12		Total utility plant	\$ -	\$ -	\$ -	\$ -	\$ 1,850,354

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

SCHEDULE A-1a Account 101 - Water Plant in Service (Excluding SDWBA/SRF, Grant Funds)							
Line No.	Acct No.	Title of Account (a)	Balance Beg 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	1,642,999				
2	301	Intangible Plant	-				\$ -
3	303	Land	28,794				\$ 28,794
4		Total non-depreciable plant	\$ 28,794	\$ -	\$ -	\$ -	\$ 28,794
5							\$ -
6		DEPRECIABLE PLANT					\$ -
7	304	Structures	26,922	2,762	(215)		\$ 29,469
8	307	Wells	11,609				\$ 11,609
9	311	Pumping Equipment	137,124	12,114	(2,850)		\$ 146,388
10	317	Other Water Source Plant	40,036				\$ 40,036
11	320	Water Treatment Plant	47,445	79,249	(480)		\$ 126,214
12	330	Reservoirs, Tanks and Standpipes	213,703	32,646	(590)		\$ 245,759
13	331	Water Mains	633,594	65,452			\$ 699,046
14	333	Services and Meter Installations	235,534	12,670			\$ 248,204
15	334	Meters	108,115				\$ 108,115
16	335	Hydrants	64,351				\$ 64,351
17	339	Other Equipment	50,267	5,464	(390)		\$ 55,341
18	340	Office Furniture and Equipment	28,698				\$ 28,698
19	341	Transportation Equipment	18,330				\$ 18,330
20		Total depreciable plant	\$ 1,615,728	\$ 210,357	\$ (4,525)	\$ -	\$ 1,821,560
21		Total water plant in service	\$ 1,644,522	\$ 210,357	\$ (4,525)	\$ -	\$ 1,850,354

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

Footnotes:

SCHEDULE A-1b							
Account 101.1 - Water Plant in Service - SDWBA/SRF							
Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	nt (Retirement) During year (d)	her Debit r (Credits) (e)	Balance End of year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible Plant					\$ -
3	303	Land					\$ -
4		Total non-depreciable plant	\$ -	\$ -	\$ -	\$ -	\$ -
5							
6		DEPRECIABLE PLANT					
7	304	Structures	-				
8	307	Wells	-				
9	311	Pumping Equipment	-				
10	317	Other Water Source Plant	-				
11	320	Water Treatment Plant	-				
12	330	Reservoirs, Tanks and Sandpipes	212,397				\$ 212,397
13	331	Water Mains	153,234				\$ 153,234
14	333	Services and Meter Installations	34,901				\$ 34,901
15	334	Meters	1,908				\$ 1,908
16	335	Hydrants	23,651				\$ 23,651
17	339	Other Equipment	-				\$ -
18	340	Office Furniture and Equipment	-				\$ -
19	341	Transportation Equipment	-				\$ -
20		Total depreciable plant	426,901		-	\$ -	\$ 426,091
21		Total water plant in service	\$426,901	\$ -	\$ -	\$ -	\$ 426,901

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

SCHEDULE A-1c							
Account 101.2 - Water Plant in Service - Grant Funds							
Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plant Additions During year (c)	nt (Retirement) During year (d)	her Debit r (Credits) (e)	Balance End of year (f)
1		NON-DEPRECIABLE PLANT					NONE
2	301	Intangible Plant					\$ -
3	303	Land					\$ -
4		Total non-depreciable plant	\$ -	\$ -	\$ -	\$ -	\$ -
5							
6		DEPRECIABLE PLANT					NONE
7	304	Structures					\$ -
8	307	Wells					\$ -
9	311	Pumping Equipment					\$ -
10	317	Other Water Source Plant					\$ -
11	320	Water Treatment Plant					\$ -
12	330	Reservoirs, Tanks and Sandpipes					\$ -
13	331	Water Mains					\$ -
14	333	Services and Meter Installations					\$ -
15	334	Meters					\$ -
16	335	Hydrants					\$ -
17	339	Other Equipment					\$ -
18	340	Office Furniture and Equipment					\$ -
19	341	Transportation Equipment					\$ -
20		Total depreciable plant	\$ -	\$ -	\$ -	\$ -	\$ -
21		Total water plant in service	\$ -	\$ -	\$ -	\$ -	\$ -

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

SCHEDULE A-2
Accounts 108, 108.1, 108.2, 108.3, 122 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 108	Account 108.1	Account 108.2	Account 108.3	Account 122
		Accumulated Depreciation of Water Plant (b)	Accumulated Amortization of SDWBA/SRF (c)	Accumulated Depreciation of Water Plant - Grant Funds (d)	Accumulated Depreciation of Water Plant - Other (e)	Accumulated Depreciation of Non-Water Utility Property (f)
1	Balance in reserves at beginning of year	\$328,148	\$426,091			
2	Add: Credits to reserves during year					
3	(a) Charged to Account 272	\$10,498				
4	(b) Charged to Account 403	\$21,737				
5	(c) Charged to Account 407					
6	(d) Charge Charged to Account 426					
7	(e) Charged to clearing accounts.					
8	(f) Salvage recovered					
9	(g) All other credits					
10	Total Credits	\$32,235	\$0	\$ -	\$ -	\$ -
11	Less: Debits to reserves during year					
12	(a) Book cost of property retired	(4,525)				
13	(b) Cost of removal					
14	(c) All other debits	(4,525)	-			
15	Total debits	\$ -	\$ -	\$ -	\$ -	\$ -
16	Balance in reserve at end of year	\$349,885	\$426,091	\$ -	\$ -	\$ -
17						
18	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE %					2.31
19						
20	(2) EXPLANATION OF ALL OTHER CREDITS:					
21						
22						
23						
24						
25						
26	(3) EXPLANATION OF ALL OTHER DEBITS:					
27						
28						
29						
30						
31						
32	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION					
33	(a) Straight line	2.31%				
34	(b) Liberalized					
35	(1) Sum of the years digits					
36	(2) Double declining balance					
37	(3) Other					
38	(c) Both straight line and liberalized					

SCHEDULE A-3							
Account 201 - Common 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)	Balance End of Year (e)	Dividends Declared During Year	
						Rate (f)	Amount (g)
1					\$ -		\$ -
2					\$ -		\$ -
3	NONE				\$ -		\$ -
4					\$ -		\$ -
5					\$ -		\$ -
6				Total	\$ -		\$ -

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

SCHEDULE A-4							
Account 204 - Preferred 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)	Balance End of Year (e)	Dividends Declared During Year	
						Rate (f)	Amount (g)
1							
2							
3	NONE						
4							
5							
6				Total	\$ -		\$ -

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

SCHEDULE A-5				
Record of Stockholders at End of Year				
Line No.	COMMON STOCK Name (a)	Number Shares (b)	PREFERRED STOCK Name (c)	Number Shares (d)
1				
2				
3	NONE			
4				
5				
6				
7				
8				
9	Total number of shares	-	Total number of shares	-

SCHEDULE A-6**Account 206 - Subchapter S Corporation Accumulated Adjustments Account**

Line No.	Description of Items (a)	Amount (b)
	Parent Company Altos Sonoma Corporation (ASC)	
1	Balance beginning of year	
2	Add: Credits	130,500
3	Net Income: JE# Tracking Payments to ASC	
4	Accounting Adjustments	130,500
5	Total Credits	\$ -
6	Less: Debits	
7	Net Loss	
8	Accounting Adjustments	
9	Dividends: Paid to ASC	130,500
10	Total Debits	\$ -
11	Balance end of year	\$ -

SCHEDULE A-7**Account 211 - Other Paid in Capital (Corporations only)**

Line No.	Description of Items (a)	Balance End of Year (b)
1		
2	NONE	
3		
4		
5	Total	\$ -

SCHEDULE A-8**Account 215 - Retained Earnings
(Corporations Only)**

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	-
2	Add: Credits	
3	Net income	-
4	Prior period adjustments	
5	Other credits (detail)	
6	Total Credits	\$ -
7		
8	Less: Debits	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total Debits	-
15	Balance end of year	\$ 967,580

SCHEDULE A-9 Account 218 – Proprietary Capital (Sole Proprietor or Partnership)		
Line No.	Item (a)	Amount (b)
1	Balance beginning of year	
2	Add: Credits	
3	— Net income	N/A
4	— Additional investments during year	
5	— Other credits (detail):	
6		
7		
8	Total Credits	\$ -
9	Less: Debits	
10	— Net losses	
11	— 218.1 Proprietary Drawings	
12	— Other debits (detail):	
13		
14		
15	Total Debits	\$ -
16	Balance end of year	\$ -

SCHEDULE A-10 Account 224 – Long-Term Debt							
Line No.	Nature of Obligation (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							
2							
3					NONE		
4							
5							
6							
7							
8	Total			\$ -		\$ -	\$ -

SCHEDULE B INCOME STATEMENT				
Line No.	Acct. No.	Account (a)	Schedule Number (b)	Amount (c)
1		UTILITY OPERATING INCOME		
2	400	Operating Revenues	B-1	466,059
3				
4		OPERATING REVENUE DEDUCTIONS		
5	401	Operating Expenses	B-2	251,261
6	403	Depreciation Expense	A-2	21,737
7	407	SDWBA Loan Amortization Expense	A-2	-
8	408	Taxes Other Than Income Taxes	B-3	11,068
9	409	State Corporate Income Tax Expense	B-3	15,805
10	410	Federal Corporate Income Tax Expense	B-3	58,706
11		Total operating revenue deductions		\$ 358,577
12		Total utility operating income		\$ 107,481
13				
14		OTHER INCOME AND DEDUCTIONS		
15	421	Non-Utility Income KFF Bank Account	B-4	1
16	426	Miscellaneous Non-Utility Expense	B-4	-
17	427	Interest Expense (excluding SDWBA)	B-5	-
18	427	Interest Expense (SDWBA)	B-5	-
19		Total other income and deductions		\$ 1
20		Net income		\$ 107,481

SCHEDULE B-1			
Account 400 - Operating Revenues			
Line No.	Acct. No.	Account (a)	Amount Current Year (b)
1		WATER SERVICE REVENUES	
2	460	Unmetered water revenue	
3		460.1 Residential, Single-family, Multiple Dwelling Units	
4		460.2 Commercial and Miscellaneous	
5		460.3 Large Water Users	
6		460.4 Safe Drinking Water Bond Surcharge	
7		460.5 Other Unmetered Revenue	
8		Subtotal	\$ -
9			
10	462	Fire protection and hydrant revenue	
11		462.1 Public Fire Protection (24)	
12		462.2 Private Fire Protection (5)	1,267
13		Subtotal	\$ 1,267
14			
15	465	Irrigation revenue	-
16			
17	470	Metered water revenue	
18		470.1 Residential, Single-family, Multiple Dwelling Units	358,435
19		470.2 Commercial and Multi-residential Master Metered	22,034
20		470.3 Large Water Users	50,883
21		470.4 Safe Drinking Water Bond Surcharge *	30,377
22		470.5 Other Metered Revenues **	(7,988)
23		Subtotal	\$ 453,741
24		Total water service revenues	\$ 455,008
25			
26	480	Other water revenue ***	11,051
27		Total Operating Revenues	\$ 466,059

Notes:

- * Surcharges: No SDWBA Surcharges, LRMA Surcharges
- ** Other Metered Revenues Fire Billing Waivers
- *** Other Water Revenue
- | | |
|-----------|--------|
| Late Fees | 4,475 |
| UUF | 6,576 |
| Total | 11,051 |

SCHEDULE B-2			
Account 401 - Operating Expenses			
Line No.	Acct. No.	Account (a)	2017 Amount Current Year (b)
1		PLANT OPERATION AND MAINTENANCE EXPENSES	
2		VOLUME RELATED EXPENSES	
3	610	Purchased Water	32,301
4	615	Power	13,896
5	618	Other Volume Related Expenses	2,387
6		Total volume related expenses	\$ 48,584
7			
8		NON-VOLUME RELATED EXPENSES	
9	630	Employee Labor	45,877
10	640	Materials	5,330
11	650	Contract Work	16,372
12	660	Transportation Expense	3,834
13	664	Other Plant Maintenance Expenses	639
14		Total non-volume related expenses	\$ 72,052
15		Total plant operation and maintenance exp.	\$ 120,636
16			
17		ADMINISTRATIVE AND GENERAL EXPENSES	
18	670	Office Salaries	28,615
19	671	Management Salaries	55,144
20	674	Employee Pensions and Benefits	26,153
21	676	Uncollectible Accounts Expense	-
22	678	Office Services and Rentals	6,386
23	681	Office Supplies and Expenses	8,542
24	682	Professional Services	5,682
25	684	Insurance	5,966
26	688	Regulatory Compliance Expense UUF	5,497
27	689	General Expenses	4,579
28		Total administrative and general expenses	146,564
29	800	Expenses Capitalized - Credit (Optional)	-15,939
30	900	Clearing Accounts (Optional)	
31		Net administrative and general expense	\$ 130,625
32		Total Operating Expenses	\$ 251,261

Notes:	650.1	Contract Water Quality	4,338
	650.2	Contract Work Repairs	12,034
		Total	16,372

SCHEDULE B-3				
Accounts 408, 409, 410 - Taxes Charged During the Year				
Line No.	Type of Tax (a)	Distribution of Taxes Charged		Total Taxes Charged During Year (d)
		Water (b)	Nonutility (c)	
1	408 Taxes other than income taxes:			
2	408.1 Property taxes	1,099		1,099
3	408.2 Payroll taxes 29 % KVWC	9,969		9,969
4	408.3 Other taxes and licenses			
5	Total taxes other than income taxes	11,068	\$ -	11,068
6				
7	409 State corporate income tax	15,805		\$ 15,805
8	410 Federal corporate income tax	58,706		\$ 58,706
9	Total income taxes	\$ -	\$ -	\$ 74,511
10				
11	Total	\$ 85,579	\$ -	\$ 85,579

SCHEDULE B-4			
Accounts 421, 426 - Income and Expense from Non-Utility Operations			
Line No.	Description (a)	Non-Utility Income Acct. 421 (b)	Miscellaneous Non-Utility Expense Acct. 426 (c)
1	Interest Earned KFF	\$1	\$1
2			
3			
4	Interest Added to Balance in KFF		\$1
5	Total	\$ 1	\$ 1

SCHEDULE B-5		
Account 427 - Interest Expense		
Line No.	Description (a)	Amount (b)
1	Interest on SDWBA loan	
2	Interest on other (give details below):	
3		
4		
5		
6		
7		
8		
9		
10	Total	\$ -

SCHEDULE B-3a 2017 IMPUTED INCOME TAX CALCULAITONS

Corrected and Revised 6/13/18

Resolution W-4443, December 8, 2003, states that the Kenwood Village Waer Company (KVWC) is considered a Class C water utility for rate making purposes because of its common ownership by Altos Sonoma Corporation with affiliate Penngrove Water Company (PWC), and with combined service connections in excess of 500. Therefore, the two companies are combined for the calculation of income taxes both during rate proceedings and for reporting results. The gross imputed taxes are allocated between the two companies based on their pro-rata share of active service connections. For 2017, the allocation percentages are 71% for PWC and 29% for KVWC.

	PWC (\$)	COMBINED	KVWC (\$)
Gross Income	1,259,011		466,069
Operating Expenses	722,509		251,261
Depreciation Expense	66,488		21,737
Other Taxes	35,497		11,068
Pre-Tax Income	434,517		181,993
Combined Taxable Income		616,510	
State Income Tax (SIT)	38,695	54,499	15,805
Federal Taxable Income		562,011	
1st \$100K FIT Tax Rate		22.25%	
Tax on 1st \$100K		22,250	
Allocated 1st \$100K Taxes	15,798		6,453
Income for Top FIT Bracket		462,011	
Highest FIT Bracket Rate		39%	
Fed Tax for Highest Bracket		180,184	
Allocated Top Bracket Taxes	127,931		52,253
Total FIT	143,729		58,706

SCHEDULE C - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS					
Location	No.	Diam. Inch	Depth to Water Feet	Pumping Capacity (g.p.m.)	Annual Quantities Pumped CCF
Green Street	K1	12	30	400	39,946
Los Guilicos	K2	12	47	85	3,991
Sub-Total					43,937
OTHER					
Streams or Springs Location of Diversion Point	Flow in Priority Right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
Purchased water (unit) CCF				Annual Quantity	
Supplier: Sonoma County Water Agency				11592	
Total Produced and Purchased				55,529	

SCHEDULE D - WATER DELIVERED TO METERED CUSTOMERS			
(If figures are available) (specify unit) CCF			
Classification of Service	Month of Year		Total for Year
	Maximum	Minimum	
Residential	Aug	Feb	48,287
Commercial (Kenwood Inn)	Aug	Jan	6,982
Industrial			
Fire Protection			
Irrigation			
Other (specify)	Hydrant Meter		
Total			55,269

SCHEDULE E - EMPLOYEES AND THEIR COMPENSATION						
Line	Acct	Account	Number at End of Year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
1	630	Employee Labor	2	45,877	(15,939)	29,938
2	670	Office salaries	2	28,615		\$ 28,615
3	671	Management salaries	3	55,144		\$ 55,144
4		Total	\$ 7	\$ 129,636	\$ (15,939)	\$ 129,636

SCHEDULE F - ADVANCES FOR CONSTRUCTION	
Balance beginning of year	
Additions during year	
Subtotal - Beginning balance plus additions during year	\$
Refunds	
Transfers to Acct. 265 - Contributions in Aid of Construction	
Balance end of year	\$

SCHEDULE G - TOTAL METERS AND SERVICES (Active and Inactive)		
Size	Meters	Services
5/8 x 3/4-in	291	
3/4-in	1	
1-in	10	
2'-in	6	
-in		
-in		
Total	308	-

SCHEDULE H - METER TESTING DATA	
Number of meters tested during year	
1 Used, before repair	
2 Used, after repair	
3 Fast, requiring refund	
Numbers of meters in service requiring test per General Order No. 103	

SCHEDULE I - SERVICE CONNECTIONS AT END OF YEAR									
Classification	Active			Inactive			Total connections		Total All
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat	
Residences	262		262	37		37	299	-	
Industrial/Commercial	13		13			-	13	-	
Irrigation	4		4			-	4	-	
Fire Protection (public)		24	24			-	-	24	
Fire Protection (private)		5	5			-	-	5	
Other (specify)			-			-	-	-	
			-			-	-	-	
Total	279	29	308	37	-	37	316	29	345

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

SCHEDULE J - STORAGE FACILITIES			SCHEDULE K - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)					
Description	No.	Combined capacity in gallons	See Schedule O					
			Description	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	Totals
Concrete			Cast Iron					-
Earth			Welded steel					
Wood			Standard screw					
Steel	1	212,000	Cement-asbestos					
Other			Plastic					
			Other (Ductile Iron)					
			Main Extension					
Total	1	212,000	Total					

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)					
Description	4 "	6"	8"	10"	Totals
Cast Iron					0
Welded steel	3,000				3,000
Standard screw		40			40
Cement-asbestos	2,074	11,130			13,204
Plastic	710	3,079	5,129	635	9,553
Other (Ductile Iron)				135	135
Main Extension					0
					0
Total	5,784	14,249	5,129	770	25,932

**SCHEDULE L
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-

1. Current Fiscal Agent:

Name: _____
 Address: _____ NONE _____
 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
5/8 X 3/4 inch		
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	\$ _____
Add: - Surcharge collections	_____
— Interest earned	_____
— Other deposits	_____
Less: Loan payments	_____
— Bank charges	_____
— Other withdrawals	_____
Balance at end of year	\$ _____ -

4. Reason for other deposits/withdrawals

5. Total Accumulated Reserve: \$ _____

**SCHEDULE M
FACILITY FEES DATA**

Please provide the following information relating to Facility Fees collected for the calendar year 2017, pursuant to Resolution No. W-4110.

1. Trust Account Information:

Bank Name:	Umpqua Bank
Address:	801 4th Street, Santa Rosa, Ca. 95404
Account Number:	108660
Date Opened:	11/1/07 transferred from 403-15021-2

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

A. Commercial

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

B. Residential

NAME	AMOUNT
_____	_____
310 Warm Springs Road	\$18,633.00
89 Shaw	\$3,826.00
185 Jessie Street	\$6,460.00
_____	_____
_____	_____
_____	\$28,919.00

3. Summary of the bank account activities showing:

	AMOUNT
Balance at beginning of year	\$ 3,875.51
Deposits during the year	\$ 28,891.19
Interest earned for calendar year	\$ 1.14
Withdrawals from this account	\$ 5,979.00
Balance at end of year	\$ 26,788.84

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

Deposit Facilities Fees	5979.00
_____	_____
_____	_____
_____	_____
_____	_____

DECLARATION

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

I, the undersigned Julie Cavaz
Officer, Partner, or Owner (Please Print)

of Kenwood Village Water Company
Name of Utility

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period of January 1, 2017, through December 31, 2017.

Julie Cavaz
Manager

Signature

(707) 539-6397
Telephone Number

Date

NOTES for 2017 KENWOOD VILLAGE ANNUAL REPORT

Note #	Acct #					
1	131	Checking Account 30%		11,723		
		Money Market 30%		<u>4,048</u>		
				15,771		
		Plant Accounts	CIAC	Company	Retired	Total Additions
2	304	K-1 Roof Replacement (20%)		2762	(215)	2,762
3	311	K-1 Well Motor Replacement		12114	(2,850)	12114
4	320	K-1 4Log Virus Inactivation Treatment System Addition		79,249	(480)	79,249
5	330	Kenwood Tank Refurbishment		32646	(590)	32,646
6	331	Water Main Extension on Clyde and Jessie Streets - 2 New Services	65,452			65,452
7	333	New Service 9580 Sonoma Hwy (Jessie) 310 Warm Springs Road	2,170 10,500			
8	339	KVWC Service Area Map K-1 Level Sensor Portable Hydrant Meter (29%)		4,305 846 313	(90) (300)	5,464
		Total Plant Acct Additions & Retirements	78,122	132,235	(4,525)	210,357
9	630	Troy Bathke Danney McVay				23,026 <u>22,851</u> 45,877
10	650	DDW Fee Water Testing				2150 <u>4,338</u> 6488
11	670	Debbie Hegarty Jenessa Stone				17,003 <u>11,613</u> 28,616
12	671	Karen Ball Jim Downey Julie Cavaz				26,271 10,730 18,142 55,143
	682	Professional Accounting Computer				4,583 <u>1,099</u> 5,682
	408	Payroll Property				34,190 <u>1,099</u> 35,289