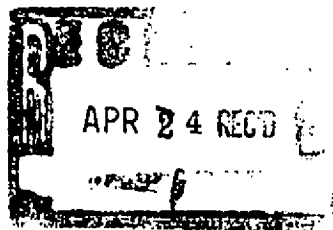


A ✓

Received _____
Examined _____

CLASS B and C
WATER UTILITIES

U# _____



2002
ANNUAL REPORT
OF

DEL ORO WATER COMPANY, INC.

PARADISE PINES DISTRICT

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

DRAWER 5172, CHICO, CALIFORNIA 95927

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2002

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2003
(FILE TWO COPIES IF THREE RECEIVED)

INSTRUCTIONS

1. One completed copy of this report (two copies if three received) must be filed NOT LATER THAN MARCH 31, following the year covered by the report, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298**

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath, on the last page, must be signed by an officer, partner or owner.
4. The report must be prepared in ink 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.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

INSTRUCTIONS

FOR PREPARATION OF

SELECTED FINANCIAL DATA SHEET

FOR CLASS A, B, C AND D, 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 instruction 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.

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2002

NAME OF UTILITY DEL ORO WATER CO., INC. PHONE 530-894-1100
PARADISE PINES DISTRICT
PERSON RESPONSIBLE FOR THIS REPORT JANICE HANNA
(Prepared from Information in the 2002 Annual Report)

	1/1/02	12/31/02	Average
BALANCE SHEET DATA			
1 Intangible Plant	5,485	5,485	5,485
2 Land and Land Rights	100,874	100,874	100,874
3 Depreciable Plant	5,169,052	5,575,938	5,372,495
4 Gross Plant in Service	5,275,412	5,682,297	5,478,855
5 Less: Accumulated Depreciation	(3,365,403)	(3,571,173)	(3,468,288)
6 Net Water Plant in Service	1,910,008	2,111,124	2,010,566
7 Water Plant Held for Future Use			
8 Construction Work in Progress	59,582	0	29,791
9 Materials and Supplies	7,157	7,157	7,157
10 Less: Advances for Construction	(79,033)	(80,564)	(79,799)
11 Less: Contribution in Aid of Construction	(427,436)	(377,486)	(402,461)
12 Less: Accumulated Deferred Income and Investment Tax Credits			
13 Net Plant Investment	<u>1,470,278</u>	<u>1,660,231</u>	<u>1,565,255</u>
 CAPITALIZATION			
14 Common Stock	21,820	21,820	21,820
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	432,224	432,224	432,224
17 Retained Earnings	93,278	185,751	139,514
18 Common Stock and Equity (Lines 14 through 17)	547,323	639,795	593,559
19 Preferred Stock			
20 Long-Term Debt	1,605,611	1,561,080	1,583,345
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	<u>2,152,933</u>	<u>2,200,874</u>	<u>2,176,904</u>

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2002

NAME OF UTILITY DEL ORO WATER CO., INC. PHONE 530-894-1100
PARADISE PINES DISTRICT

INCOME STATEMENT

		Annual Amount
23	Unmetered Water Revenue	597,324
24	Fire Protection Revenue	<u> </u>
25	Irrigation Revenue	52,298
26	Metered Water Revenue	733,364
27	Total Operating Revenue	<u>1,382,986</u>
28	<u>Operating Expenses</u>	<u>952,751</u>
29	Depreciation Expense (Composite Rate _____)	155,820
30	Amortization and Property Losses	<u> </u>
31	Property Taxes	16,164
32	Taxes Other Than Income Taxes	36,335
33	Total Operating Revenue Deduction Before Taxes	<u>1,161,070</u>
34	California Corp. Franchise Tax	800
35	Federal Corporate Income Tax	<u> </u>
36	Total Operating Revenue Deduction After Taxes	<u>1,161,870</u>
37	Net Operating Income (Loss) - California Water Operations	221,116
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>2,336</u>
39	Income Available for Fixed Charges	<u> </u>
40	Interest Expense	(130,980)
41	Net Income (Loss) Before Dividends	<u>92,472</u>
42	Preferred Stock Dividends	<u> </u>
43	Net Income (Loss) Available for Common Stock	<u> </u>

OTHER DATA

44	Refunds of Advances for Construction	6,099
45	Total Payroll Charged to Operating Expenses	330,661
46	Purchased Water	52,266
47	Power	<u>259,558</u>

				Annual Average
<u>Active Service Connections</u> (Exc. Fire Protect.) _____		Jan. 1	Dec. 31	
48	Metered Service Connections	4485	4532	4508.5
49	Flat Rate Service Connections	<u> </u>	<u> </u>	<u> </u>
50	Total Active Service Connections	<u>4485</u>	<u>4532</u>	<u>4508.5</u>

**CLASS B, C AND D 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: **N/A**

Name: _____
Address: _____
Phone Number: _____
Date Hired: _____

2. Former Fiscal Agent:

Name: _____
Address: _____
Phone Number: _____
Date Hired: _____

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

\$ _____

4. 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	_____

5. Account information:

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

**CLASS B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA (continued)**

6. Plant amounts included in Schedule A-1a, Account No. 101--Water Plant in Service which were funded using SDWBA funds: **N/A**

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits* or (Credits) (e)	Balance End of Year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					

GENERAL INFORMATION

1 Name under which utility is doing business: Del Oro Water Company, Inc.
Paradise Pines District

2 Official mailing address:
Drawer 5172, Chico, California ZIP 95927

3 Name and title of person to whom correspondence should be addressed:
Janice Hanna, Director Corporate Accounting Telephone: 530-894-1100

4 Address where accounting records are maintained:
426 Broadway, Suite 301, Chico, California 95928

5 Service Area: (Refer to district reports if applicable.)
Lime Saddle District - Paradise, California

6 Service Manager (if located in or near Service Area): (Refer to district reports if applicable.)
Name: Paul J. Matulich
Address: Drawer 5172 Telephone: 530-894-1100
Chico, California 95927-5272

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) Del Oro Water Company, Inc.
Organized under laws of (state) California

Principal Officers:

(Name)	Robert S. Fortino	(Title)	President
(Name)	Janice Hanna	(Title)	Secretary
(Name)		(Title)	
(Name)		(Title)	

8 Names of associated companies:

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:

Date: _____

Date: _____

Date: _____

Date: _____

10 Use the space below for supplementary information or explanations concerning this report:

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Assets and other Debits

Line No.	Acct. No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		UTILITY PLANT			
2	101	Water plant in service	4	5,575,938	5,169,052
3	103	Water plant held for future use	5		
4	104	Water plant purchased or sold			
5	105	Water plant construction work in progress		0	59,582
6		Total utility plant		5,575,938	5,228,634
7	106	Accumulated depreciation of water plant	6	3,571,173	3,365,403
8	114	Water plant acquisition adjustments			
9		Total amortization and adjustments		3,571,173	3,365,403
10		Net utility plant		2,004,765	1,863,231
11		INVESTMENTS			
12	121	Non-utility property and other assets	5		
13	122	Accumulated depreciation of non-utility property	6		
14		Net non-utility property			
15	123	Investments in associated companies		925,762	859,652
16	124	Other investments			
17		Total investments		925,762	859,652
18		CURRENT AND ACCRUED ASSETS			
19	131	Cash		129,682	325,247
20	132	Special accounts			
21	141	Accounts receivable - customers		108,369	110,778
22	142	Receivables from associated companies		236,840	163,662
23	143	Accumulated provision for uncollectible accounts			
24	151	Materials and supplies		7,157	7,157
25	174	Other current assets	7	7,461	8,306
26		Total current and accrued assets		489,509	615,150
27	180	Deferred charges	8	70,392	99,038
28		Total assets and deferred charges		3,490,429	3,437,071

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct. No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		CORPORATE CAPITAL AND SURPLUS			
2	201	Common stock	9	21,820	21,820
3	204	Preferred stock	9		
4	211	Other paid-in capital	9	432,224	432,224
5	215	Retained earnings	10	185,751	93,278
6		Total corporate capital and retained earnings		639,795	547,323
7		PROPRIETARY CAPITAL			
8	218	Proprietary capital	10		
9	218.1	Proprietary drawings			
10		Total proprietary capital			
11		LONG TERM DEBT			
12	224	Long term debt	11	1,561,080	1,605,611
13	225	Advances from associated companies	12	602,417	602,417
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		121,059	64,384
16	232	Short term notes payable			
17	233	Customer deposits		34,949	36,528
18	235	Payables to associated companies	12	35,003	40,818
19	236	Accrued taxes		1,778	1,789
20	237	Accrued interest		12,098	9,732
21	241	Other current liabilities	13	24,201	22,001
22		Total current and accrued liabilities		229,088	175,252
23		DEFERRED CREDITS			
24	252	Advances for construction	13	80,564	79,033
25	253	Other credits	8		
26	255	Accumulated deferred investment tax credits	13		
27	282	Accumulated deferred income taxes - ACRS depreciation	13		
28	283	Accumulated deferred income taxes - other	13		
29		Total deferred credits		80,564	79,033
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	14	1,754,238	1,754,238
32		Accumulated amortization of contributions		(1,376,751)	(1,326,801)
33		Net contributions in aid of construction		377,486	427,436
34		Total liabilities and other credits		3,490,429	3,437,071

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service	5,169,052	406,886			5,575,938
2	103	Water plant held for future use					
3	104	Water plant purchased or sold					
4	105	Construction work in progress - water plant	59,582	0	xxxxxxxxxxxxx	(59,582)	0
5	114	Water plant acquisition adjustments	0		xxxxxxxxxxxxx		
6		Total utility plant	5,228,634	406,886			5,575,938

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

**SCHEDULE A-1a
Account No. 101 - Water Plant in Service**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant	5,485				5,485
3	303	Land	100,874				100,874
4		Total non-depreciable plant	106,359				106,359
5		DEPRECIABLE PLANT					
6	304	Structures	218,765				218,765
7	307	Wells	955,415				955,415
8	317	Other water source plant					0
9	311	Pumping equipment	409,312	4,318			413,630
10	320	Water treatment plant					0
11	330	Reservoirs, tanks and sandpipes	465,513	338,476			803,989
12	331	Water mains	2,078,601	41,232			2,119,833
13	333	Services and meter installations	295,015	1,800			296,815
14	334	Meters	282,338	4,535			286,873
15	335	Hydrants	122,628				122,628
16	339	Other equipment	190,774				190,774
17	340	Office furniture and equipment	31,390				31,390
18	341	Transportation equipment	18,046	16,525			34,571
19		Total depreciabel plant	5,062,692	406,886			5,469,578
20		Total water plant in service	5,169,052	406,886			5,575,938

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

SCHEDULE A-1b
Account No. 103 - Water 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				
2	NONE			
3				
4				
5				
6				
7				
8				
9				
10	Total			

SCHEDULE A-2
Account No. 121 - Non-utility Property and Other Assets

Line No.	Name and Description of Property (a)	Book Value End of Year (b)
1		
2	NONE	
3		
4		
5		
6		
7		
8		
9		
10	Total	

SCHEDULE A-3

Account Nos. 108 and 122 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 106 Water Plant (b)	Account 106.1 SDWBA Loans (c)	Account 122 Non-utility Property (d)
1	Balance in reserves at beginning of year	3,365,403		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	155,820		
4	(b) Charged to Account No 272	49,950		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	205,770		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired			
11	(b) Cost of removal			
12	(c) All other debits (Footnote 3)			
13	Total debits			
14	Balance in reserve at end of year	3,571,173		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE			%
16				
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS:			
24				
25				
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION			
30	(a) Straight line	[]		
31	(b) Liberalized	[]		
32	(1) Sum of the years digits	[]		
33	(2) Double declining balance	[]		
34	(3) Other	[]		
35	(c) Both straight line and liberalized	[]		

2001

Account No. 108 - Analysis of Entries in Depreciation Reserve

Line No.	Acct No.	Depreciable Plant (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserve During Year Excl. Cost of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures	215,403	828			216,231
2	307	Wells	244,116	39,387			283,503
3	317	Other water source plant	0				0
4	311	Pumping equipment	247,482	19,534			267,016
5	320	Water treatment plant	0				0
6	330	Reservoirs, tanks and sandpipes	252,912	38,842			291,754
7	331	Water mains	1,526,543	34,894			1,561,437
8	333	Services and meter installations	436,046	10,382			446,428
9	334	Meters	0				0
10	335	Hydrants	89,289	625			89,914
11	339	Other equipment	190,418	1,335			191,753
12	340	Office furniture and equipment	17,964	1,049			19,013
13	341	Transportation equipment	20,063	8,944			29,007
14		Total	3,240,236	155,820			3,396,056

SCHEDULE A-4

Account No. 174 - Other Current Assets

Line No.	Item (a)	Amount (b)
1	Pre Paid Personal Prop Tax	401
2	Prepaid Insurance	7,061
3		
4		
5		
6		
7		
8		
9		
10		

SCHEDULE A-5

Accounts Nos. 180 and 253 - 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 or 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.
- 6 Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.
- also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

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	Def Interest/O'Farrell					9,732	2365		12,097
2	Loan Fees					0	13344	222	13,122
3	Def Comp Inc					22,001	2200		24,201
4	Other/Rate Case					12,581	9934	10464	12,051
5	Test Well Surcharge					31,232		22310	8,922
6	Purchased Water Surcharge					23,492		23492	0
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									

SCHEDULE A-6
Account Nos. 201 and 204 - Capital Stock

Line No.	Class of Stock (a)	Date of Issue (b)	Number of Shares Authorized by Articles of Incorporation (c)	Par or Stated Value (d)	Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Common	1965	25,000	10	2,182	21,820		NONE
2								
3								
4								
5								
6							Total	

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK		PREFERRED STOCK	
	Name (a)	Number of Shares (b)	Name (c)	Number of Shares (d)
1	Fortino Enterprises	2,182		
2				
3				
4				
5				
6				
7	Total number of shares		Total number of shares	

SCHEDULE A-8
Account No. 211 - Other Paid in Capital (Corporations only)

Line No.	Type of Paid in Capital (a)	Balance End of Year (b)
1	Capital Surplus derived from 22% Reserve	432,224
2	and charged to advances for construction	
3		
4	Total	432,224

SCHEDULE A-9
Account No. 215 - Retained Earnings
(Corporations Only)

Line No	Item (a)	Amount (b)
1	Balance beginning of year	338,023
2	CREDITS	
3	Net income	92,472
4	Prior period adjustments	
5	Other credits (detail)	
6		92,472
7		
8	DEBITS	
9	Net losses	
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	244,744
13	Other debits (detail)	
14	Total debits	
15	Balance end of year	185,751

SCHEDULE A-10
Account No. 218 - Proprietary Capital
(Sole Proprietor or Partnership)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	
2	CREDITS	
3	Net income	
4	Additional investments during year	
5	Other credits (detail) NONE	
6	Total credits	
7	DEBITS	
8	Net losses	
9	Withdrawals during year	
10	Other debits (detail)	
11	Total debits	
12	Balance end of year	

SCHEDULE A-11
Account No. 224 - Long Term Debt

Line No.	Class (a)	Name of Issue (b)	Date of Issue (c)	Date of Maturity (d)	Principal Amount Authorized (e)	Outstanding Per Balance Sheet (f)	Rate of Interest (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1	North Valley Bank		Oct-02	Oct-17	1,465,436	1,456,049	7.25			17,680
2	North Valley Bank		Jun-02	Jun-05	6,590	5,613	9.5			294
3	Butte Comm Bank		Sep-02	Oct-05	9,935	9,417	8.95			146
4	Safor Corp		Sep-93	Sep-93	250,000	90,000	6			
5										
6						Refinanced Loans				112,860
7										
8										
9										
10										
11										
12					1,731,961	1,561,080				130,980

SCHEDULE A-12
Account No. 225 - Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1	Donner Lake Water Co.	602,417			
2					
3					
4	Totals				

Schedule A-13
Account No. 235 - Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1	Stirling Bluffs	5,476			
2	Lime Saddle	12,058			
3	Magalia	2,385			
4	Ferndale	15,084			
	Totals	35,003			

SCHEDULE A-14
Account No. 241 - Other Current Liabilities

Line No.	Description (a)	Balance End of Year (b)
1	Deferred Compensation Liability	24,201
2		
3		
4		
5	Totals	24,201

SCHEDULE A-15
Account No. 252 - Advances for Construction

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	xxxxxxxxxxxxxxxx	79,033
2	Additions during year	xxxxxxxxxxxxxxxx	4,568
3	Subtotal - Beginning balance plus additons during year	xxxxxxxxxxxxxxxx	83,601
4	Charges during year:	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
5	Refunds	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
6	Percentage of revenue basis	3,037	xxxxxxxxxxxxxxxx
7	Proportionate cost basis		xxxxxxxxxxxxxxxx
8	Present worth basis		xxxxxxxxxxxxxxxx
9	Total refunds	3,037	xxxxxxxxxxxxxxxx
10	Transfers to Acct. 271, Contributions in aid of Construction	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
11	Due to expiration of contracts		xxxxxxxxxxxxxxxx
12	Due to present worth discount		xxxxxxxxxxxxxxxx
13	Total transfers to Acct. 271		xxxxxxxxxxxxxxxx
14	Securities Exchanged for Contracts (Enter detail below)		xxxxxxxxxxxxxxxx
15	Subtotal - charges during year		
16	Balance end of year	xxxxxxxxxxxxxxxx	80,564

SCHEDULE A-16
Account Nos. 255, 282, and 283 - Deferred Taxes

Line No.	Item (a)	Account 255 Investment Tax Credit (b)	Account 282 Income Tax - ACRS Depreciation (c)	Account 283 - Other (d)
1				
2				
3				
4				
5	Totals			0

SCHEDULE A-17

Account No. 271 - 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), shall be written off through charges to this account and credits to Account No. 106, Accumulated depreciation of water 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 No. 106. 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 Services at Dec. 31, 1954 (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year	427,436	427,436			
2	Add: Credits to account during year					
3	Contributions received during year					
4	Other credits*					
5	Total credits					
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	49,950	49,950			
8	Nondepreciable donated property retired					
9	Other debits*					
10	Total debits					
11	Balance end of year	377,486	377,486			

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

SCHEDULE B-1
Account No. 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		WATER SERVICE REVENUES			
2	460	Unmetered water revenue			
3		460.1 Single - family residential	565,961	552,037	13,923
4		460.2 Commercial and multi-residential			
5		460.3 Large water users			
6		460.5 Safe Drinking Water Bond Surcharge			
7		460.9 Other unmetered revenue			
8		Sub-total	565,961	552,037	13,923
9	462	Fire protection revenue			
10		462.1 Public fire protection			
11		462.2 Private fire protection			
12		Sub-total			
13	465	Irrigation revenue	52,298	39,290	13,008
14	470	Metered water revenue			
15		470.1 Single-family residential	678,073	487,236	190,836
16		470.2 Commercial and multi-residential	19,661	12,132	7,530
17		470.3 Large water users	14,892	10,413	4,479
18		470.5 Safe Drinking Water Bond Surcharge			
19		470.9 Other metered revenue	20,738	103,061	(82,323)
20		Sub-total	733,364	612,842	120,522
21		Total water service revenues	1,351,623	1,204,170	147,453
22	480	Other water revenue	31,363	42,602	(11,239)
23		Total operating revenues	1,382,986	1,246,772	136,215

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		PLANT OPERATION AND MAINTENANCE EXPENSES			
2		VOLUME RELATED EXPENSES			
3	610	Purchased water	52,266	80,639	(28,372)
4	615	Power	259,558	233,855	25,702
5	616	Other volume related expenses	1,150	864	285
6		Total volume related expenses	312,974	315,358	(2,385)
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor	130,862	128,434	2,429
9	640	Materials	25,867	22,447	3,420
10	650	Contract work	12,980	17,225	(4,245)
11	660	Transportation expenses	27,842	34,886	(7,044)
12	664	Other plant maintenance expenses	1,072	30	1,043
13		Total non-volume related expenses	198,624	203,022	(4,398)
14		Total plant operation and maintenance exp.	511,598	518,380	(6,782)
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	128,666	122,905	5,762
17	671	Management salaries	71,132	67,154	3,979
18	674	Employee pensions and benefits	50,425	28,775	21,650
19	676	Uncollectible accounts expense	11,145	3,423	7,722
20	678	Office services and rentals	56,259	55,602	657
21	681	Office supplies and expenses	56,085	68,466	(12,381)
22	682	Professional services	17,422	54,685	(37,263)
23	684	Insurance	29,060	24,984	4,076
24	688	Regulatory commission expense	11,606	26,780	(15,174)
25	689	General expenses	9,352	6,438	2,914
26		Total administrative and general expenses	441,154	459,212	(18,059)
27	800	Expenses capitalized			0
28		Net administrative and general expense			
29		Total operating expenses	952,751	977,592	(24,841)

SCHEDULE B-3

Account No. 408, 409, 410 - Taxes Charged During the Year

Line No.	Type of Tax (a)	Total Taxes Charged During Year (b)	Distribution of Taxes Charged	
			Water (c)	Nonutility (d)
1	Taxes on real and personal property	16,164		
2	State corporate franchise tax			
3	State unemployment insurance tax	1,828		
4	Other state and local taxes			
5	Federal unemployment insurance tax	981		
6	Federal insurance contributions act	33,526		
7	Other federal taxes			
8	Federal income taxes			
9				
10				
11	Totals	52,499		

SCHEDULE B-4

Reconciliation of Reported Net Income for Federal Income 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 income 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 4	
2	Reconciling amounts (list first additional income and unallowable deductions,	
3	followed by additional deductions and non-taxable income):	
4		
5		
6	NOT PREPARED AT THIS TIME	
7		
8		
9		
10	Federal tax net income	
11	Computation of tax:	
12		
13		
14		
15		
16		
17		

SCHEDULE B-5
Account No. 421 and 426 - Income from Nonutility Operations

Line No.	Description (a)	Revenues Acct. 421 (b)	Expenses Acct. 426 (c)
1	Gain on Investments	2,336	
2			
3			
4			
5	Total	2,336	0

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Loans	130,757
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	130,757

SCHEDULE C-1
Compensation of Individual Proprietor, Partners and Employees Included in Expenses

Line No.	Acct. No.	Account (a)	Number at End of Year (b)	Salaries Charged to Expense (c)	Salaries Charged to Plant Accounts (d)	Total Salaries and Wages Paid (e)
1	630	Employee Labor		130,862		130,862
2	670	Office salaries		128,666		128,666
3	671	Management salaries		71,132		71,132
4						
5						
6		Total		330,661		330,661

**SCHEDULE C-2
Loans to Directors, Officers, or Shareholders**

Line No.	Name (a)	Title (b)	Amount (c)	Interest Rate (d)	Maturity Date (e)	Security Given (f)	Date of Shareholder Authorization (g)	Other Information (h)
1								
2	NONE							
3								
4								
5								
6								
7	Total							

**SCHEDULE C-3
Engineering and Management Fees and Expenses, Etc., During Year**

Line No.	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 respondent's 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.	
	NONE	
1	1. Did the respondent have a contract or other agreement with any organization or person covering supervision	
2	and/or management of its own affairs during the year? Answer: (Yes or No)	
3	(If the answer is in the affirmative, make appropriate replies to the following questions)*	
4	2. Name of each organization or person that was a party to such a contract or agreement.	
5		
6	3. Date of original contract or agreement.	
7	4. Date of each supplement or agreement.	
8	5. Amount of compensation paid during the year for supervision or management \$	
9	6. To whom paid	
10	7. Nature of payment (salary, traveling expenses, etc.)	
11	8. Amounts paid for each class of service.	
12		
13	9. Basis for determination of such amounts	
14		
15	10. Distribution of payments:	Amount
16	(a) Charged to operating expenses	\$
17	(b) Charged to capital amounts	\$
18	(c) Charged to other account	\$
19	Total	\$
20	11. Distribution of charges to operating expenses by primary accounts	
21	Number and Title of Account	Amount
22		\$
23		\$
24		\$
25	Total	\$
26	12. What relationship, if any, exists between respondent and supervisory and/or managing concerns?	
27		

* File with this 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.

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		Diversions			
				Claim	Capacity	Max.	Min.		
1	NONE								
2									
3									
4									
5									
WELLS						Pumping Capacity (Unit) 2	Annual Quantities Pumped 1,000(Unit) 2	Remarks	
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water				
6	1	Imperial	1	16'x507'					
7	2	Brandy	2	20'x525'			147,059		
8	3	Park Avenue	3	12'x702'			82,495		
9	5	Perry	5	10'x425'			0		
10	4	Compton	4	14'x700'			100,626		
11	6	Lakeridge	6	14'x709'			214,862		
TUNNELS AND SPRINGS				FLOW IN (Unit) 2			Annual Quantities Pumped 1,000(Unit) 2	Remarks	
Line No.	Designation	Location	Number	Maximum	Minimum				
11									
12	NONE								
13									
14									
15									
Purchased Water for Resale									
16	Purchased from Stirling Bluffs Corp.								
17	Annual Quantities purchased						(Unit chosen) 1	25,248	
18									
19									
* State ditch pipeline reservoir, etc., with name, if any. 1 Average depth to water surface below ground surface 2 The quantity unit in established use for experiencing water stored and used in large amounts is the acre foot, which equals 43,560 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
1	A. Collecting reservoirs			
2	Concrete			
3	Earth			
4	Wood			
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal		2,740,000	
12	Concrete			
13	Totals		2,740,000	

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINKED 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								

A. LENGTH OF DITCHES, FLUMES AND LINKED 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	Lines conduit								
9									
10	Totals								

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

Line No.		1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron									
12	Cast iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw									
17	Screw or welded casing									
18	Cement - asbestos						3,261		10,420	7,355
19	Welded steel					3,260	30,428		43,253	31,262
20	Galv Iron									
21	Plastic					6,103	29,082		74,633	66,005
22	Totals	0	0	0		9,363	62,771	0	128,306	104,622

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

Line No.		10	12	14	16	18	20	Other Sizes (Specify Sizes)	Total All Sizes
23	Cast Iron							1.25	
24	Cast iron (cement lined)								
25	Concrete								
26	Copper								
27	Riveted steel								
28	Standard screw								
29	Screw or welded casing								
30	Cement - asbestos		3,010	351					24,397
31	Welded steel	16,719		3,239					128,161
32	Galv Iron								
33	Plastic	12,957							188,780
34	Totals	29,676	3,010	3,590				0	341,338

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

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
Single family residential	4,430	4475		
Commercial and Multi-residential	43	45		
Large water users				
Public authorities	9	9		
Irrigation	3	3		
Other (specify)				
Subtotal	4,485	4532		
Private fire connections				
Public fire hydrants				
Total	4,485	4532	0	0

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

Size	Meters	Services
5/8 x 3/4 - in	4493	xxxxxxxxxxxxxx
3/4 - in		4901
1 - in	22	88
1.5 - in	9	9
2 - in	2	2
3 - in	3	3
4 - in	3	3
- in		
Other		
Total	4532	5006

**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	_____
2. Used, before repair	_____
3. Used, after repair	_____
4. Found fast, requiring billing adjustment	_____
B. Number of Meters in Service Since Last Test	
1. Ten years or less	490
2. More than 10, but less than 15 years	135
3. More than 15 years	129

**SCHEDULE D-7
Water delivered to Metered Customers by Months and Years in 1,000 (Unit Chosen) - Gallons**

Classification of Service	During Current Year							Subtotal
	January	February	March	April	May	June	July	
Single-family residential	20,302	20,106	17,868	21,726	27,387	39,225	46,662	193,276
Commercial and Multi-residential	486	573	549	836	755	1,076	1,164	5,439
Large water users								
Public authorities	53	79	80	232	255	1,108	1,779	3,586
Irrigation	610	650	562	795	1,896	3,003	4,294	11,810
Other (specify)								
Total	21,451	21,408	19,059	23,589	30,293	44,412	53,899	214,111
Classification of Service	During Current Year						Subtotal	Total Prior Year
	August	September	October	November	December	Total		
Single-family residential	52,570	53,281	40,593	35,827	21,835	204,106	397,382	388,094
Commercial and Multi-residential	1,508	1,408	1,183	1,243	557	5,899	11,338	10,050
Large water users								
Public authorities	1,361	1,456	1,316	614	83	4,830	8,416	8,299
Irrigation	6,220	5,381	3,528	1,828	815	17,772	29,582	31,012
Other (specify)				316				
Total	61,659	61,526	46,620	39,828	23,290	232,923	446,718	437,455

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 _____

SCHEDULE D-8 Status With State Board of Public Health

1	Has the State or Local Health Department reviewed the sanitary condition of your water system during the past year? YES
2	Are you having routine laboratory tests made of water served to your consumers? YES
3	Do you have a permit from the State Board of Public Health for operation of your water system? YES
4	Date of permit: 6/27/77
5	If permit is "temporary", what is the expiration date?
6	If you do not hold a permit, has an application been made for such permit? 7 If so, on what date?

SCHEDULE D-9 Statement of Material Financial Interest

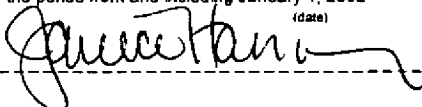
Use this space to report the information required by Section 2 of General Order No. 104-A. If no material financial interest existed during the year or contemplated at the end of the year, such fact shall be so stated. If additional space is required, attach a supplementary statement with reference made thereto.

NONE

DECLARATION Before Signing, Please Check to See That All Schedules Have Been Completed (See Instruction 3 on front cover)

I, the undersigned Janice Hanna Officer, Partner or Owner
 of Del Oro Water Co., Inc. Name of Utility

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, 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, 2002 (date) to and including December 31, 2002.

SIGNED 

Title Director of Corporate Accounting

Date March 31, 2003

INDEX

	PAGE	WORK SHEET		PAGE	WORK SHEET
Advances from associated companies -----	12	A-12	Organization and control -----	1	GenInfo
Advances for construction -----	13	A-15	Other assets -----	7	A-4
Assets -----	2	Assets	Other income -----	15	B
Balance sheet -----	2-3	Liabilities	Other paid in capital -----	9	A-8
Capital stock -----	9	A-6	Payables to associated companies -----	12	A-13
Contributions in aid of construction -----	14	A-17	Population served -----	23	D-4
Depreciation and amortization reserves -----	6	A-3	Proprietary capital -----	10	A-10
Declaration -----	24	D-9	Purchased water for resale -----	21	D-1
Deferred taxes -----	13	A-16	Retained earnings -----	10	A-9
Dividends appropriations -----	10	A-9	Service connections -----	23	D-4
Employees and their compensation -----	19	C-1	Sources of supply and water developed --	21	D-1
Engineering and management fees -----	20	C-3	Status with Board of Health -----	24	D-8
Income statement -----	15	Income	Stockholders -----	9	A-7
Liabilities -----	3	Liabilities	Storage facilities -----	21	D-2
Loans to officers, directors, or shareholders --	20	C-2	Taxes -----	18	B-3
Long term debt -----	11	A-11	Transmission and distribution facilities --	22	D-3
Management compensation -----	17	B-2	Unamortized debt discount and expense -	8	A-5
Meters and services -----	23	D-5	Unamortized premium on debt -----	8	A-5
Non-utility property -----	5	A-2	Utility plant -----	4	A-1
Officers -----	1	GenInfo	Water delivered to metered customers ---	23	D-7
Operating expenses -----	17	B-2	Water plant in service -----	4	A-1a
Operating revenues -----	16	B-1	Water plant held for future use -----	5	A-1b