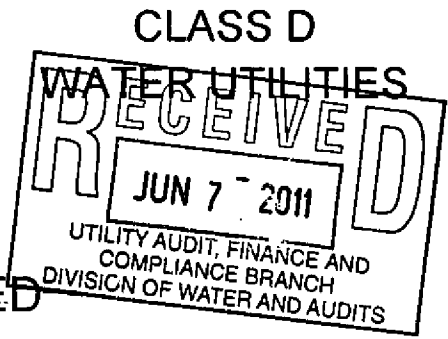


Amended

47

Received	_____
Examined	_____

U# 158



AMENDED
2009
ANNUAL REPORT
OF

PURESOURCE WATER, INC.

P.O. BOX 1958
(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

APTOS, CA 95001

(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)

INSTRUCTIONS

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

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

kok@cpuc.ca.gov

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath, on the last page, must be signed by an officer, partner or owner.
4. The report must be prepared in ink, typed or computer generated.
5. The report must be filled in, and every question answered. LEAVE NO SCHEDULE BLANK. Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Certain balance sheet and income statement accounts flow to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

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

PURE SOURCE WATER COMPANY

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

P.O. BOX 1958, APTOS CA 95001

(Official mailing address)

APTOS, CA

(Service area-town and county)

Telephone Number: 831-688-8997

Fax Number: 831-688-9208

Email Address: michael@psh2o.net

GENERAL INFORMATION

(Attach a supplementary statement, if necessary)

RETURN ORIGINAL TO COMMISSION, NO PHOTOCOPIES.

- 1 If a corporation show:
 (A) Date of organization 5/4/2001 incorporated in the State of CA
 (B) Names, titles and addresses of principal officers:
- 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: Michael Mills, President
 (B) Person responsible for operations and services: Michael Mills, President
- 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		11/2/2009
X		12/21/2009
X		2/4/2010

- 11 List Name, Grade, and License Number of all Licensed Operators:
Michael Mills D2 #21442

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 utility provision of non-tariffed services using excess capacity. These decisions require utilities to: 1) file an advice letter requesting Commission approval of that service; 2) provide information regarding non-tariffed goods/services in such companies' Annual Report to the Commission.

Based on the information and data required in D-00-07-018, D-03-04-028, and D-04-12-023, provide the following information for each individual non-tariffed good and service provided in 2001:

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	Adviser Letter Number 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 Registered Assets used in the provision of a Non-Tariffed Good/Service (by account)	Registered Asset Account Number

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

None

**CLASS A, B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA**

Please provide the following information relating to each Safe Drinking Water Bond Act (SDWBA) or Safe Drinking Water State Revolving Fund loan surcharge collection for the calendar year. Please use one page per loan.

1. Current Fiscal Agent:

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

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

\$ 0 _____

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	_____	0
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	_____

CLASS A, B, C AND D WATER COMPANIES

SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (cont.)

5. Plant amounts included in Schedule A-1a, Account No. 101—Water Plant in Service which were funded using SDWBA or SRF funds:

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits* or (Credits) (e)	Balance End of Year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells	16,697				16,697
8	317	Other water source plant					
9	311	Pumping equipment	2,569				2,569
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes	37,247				37,247
12	331	Water mains	71,927				71,927
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	128,440				128,440
20		Total water plant in service	128,440				128,440

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2009)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	128,440	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	524
3	104	Water plant purchased or sold		215	Retained earnings	(12,292)
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant		224	Long term debt	
	108.1	Accumulated amortization -SDWBA loan	(128,440)			
6	114	Water plant acquisition adjustments			Current Liabilities	7,580
7	124	Other investments		252	Advances for construction	
8	131	Cash	2,136	253	Other deferred credits	6,324
9	141	Accounts receivable - customers		255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	2,136		Total Equity and Liabilities	2,136

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					-
17	303	Land					-
18	304	Structures					-
19	307	Wells	16,697				16,697
20	317	Other water source plant					
21	311	Pumping equipment	2,569				2,569
22	320	Water treatment plant					-
23	330	Reservoirs tanks and sandpipes	37,247				37,247
24	331	Water mains	71,927				71,927
25	333	Services and meter installations					-
26	334	Meters					-
27	335	Hydrants					-
28	339	Other equipment					-
29	340	Office furniture and equipment					-
30	341	Transportation equipment					-
31		Total water plant in service	128,440				128,440

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
32	Balance in reserves at beginning of year	0	128,440	A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 272			
35	(b) Charged to Account No. 403			
36	(c) Charged to Account No. 407			B. Amount of depreciation expense claimed
37	(d) Salvage recovered			or to be claimed on utility property in
38	(e) All other credits			your federal income tax return for the year
39	Total credits			covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired			
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation.
44	Total debits			
45	Balance in reserve at end of year	0	128,440	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2009)

Line

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

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5								
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9		Operating revenues	xxxxxxxxxx
10	460	Unmetered water revenue	52,824
11	462	Fire protection revenue	
12	465	Irrigation revenue	
13	470	Metered water revenue	
14	480	Other water revenue	
15		Total Operating Revenue	52,824
16		Operating revenue deductions	xxxxxxxxxx
17		Operating expenses	xxxxxxxxxx
18	610	Purchased water	93
19	615	Purchased power	6,523
20	618	Other volume related expenses	
21	630	Employee labor	
22	640	Materials	1,010
23	650	Contract work	9,076
		Water Testing	1,295
24	660	Transportation expenses	3,221
25	664	Other plant maintenance expense	1,031
26	670	Office salaries	5,862
27	671	Management salaries	16,992
28	674	Employee pensions and benefits	
29	676	Uncollectible accounts expense	
30	678	Office services and rentals	137
31	681	Office supplies and expense	3,107
32	682	Professional services	910
33	684	Insurance	
34	688	Regulatory commission expense	
35	689	General expenses	1,124
36		Total Operating Expenses	50,381
37	403	Depreciation expense	
38	407	SDWBA loan amortization expense	
39	408	Taxes other than income taxes	5,402
40	409	State income tax expense	800
41	410	Federal income tax expense	
42		Total Operating Revenue Deductions	6,202
43		Utility Operating Income	(3,759)
44	421	Non-utility income	270
45	426	Miscellaneous non-utility expense	
46	427	Interest expense	
47		Net Income	(3,489)

SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS

Location		No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped
2270	Redwood Dr.	2	6	250	50	
3263	Redwood Dr.	2	6	250	25	

OTHER

Streams or springs location of diversion point	Flow in Priority right		(Unit) Diversions		Annual Quantities Diverted Unit
	Claim	Capacity	Max	Min	
Purchased water (unit)			Annual Quantity		
Supplier:					

SCHEDULE H

WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

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

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Number at End of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor				
49	670	Office salaries	1	5,862.00		5,862.00
50	671	Management salaries	1	16,992.00		16,992.00
51		Total	2	22,854.00		22,854.00

SCHEDULE J - ADVANCES FOR CONSTRUCTION

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

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

Size	Meters	Services
5/8 x 3/4-in		
3/4-in		
1-in		
-in		
-in		
Total		

SCHEDULE L - 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 M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		75	75		4	4	0	79
Industrial/Commercial			0					
Irrigation			0					
Fire Protection (public)			0					
Fire Protection (private)			0					
Other (specify)			0					
Total	0	75	75	0	4	4	0	79

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

SCHEDULE N - STORAGE FACILITIES

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)


Description	No.	Combined capacity in gallons	Description	2" and under			4"	Other sizes (specify)	Totals
				2 1/4 to 3 1/4					
Concrete			Cast Iron						
Earth			Welded steel						
Wood			Standard screw						
Steel	2	99,000	Cement-asbestos						
Other			Plastic			8"		10,000	
			Other (specify)						
Total			Total					10,000	

DECLARATION

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

I, the undersigned (officer, partner or owner) of Pure Source Water Company under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, documents, and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the calendar year.

January 1, 2009 through December 31, 2009.


 Signed _____
 Title Pres/CEO
 Date 6/4/2011

FACILITIES FEES DATA

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

1. Trust Account Information:

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

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

A. Commerical

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

B. Residential

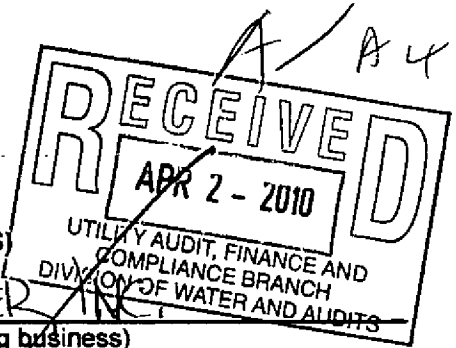
NAME	AMOUNT
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

3. Summary of the bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

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

~~Year 2009 A~~



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

PURESOURCE WATER INC.

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

P.O. Box 1958

(Official mailing address)

APTOS CA 95001

(Service Area - Town and County)

See

Telephone Number:

831-688-8476

Fax Number:

831-688-8476

Renewed

Email Address:

opal@mca@gmail.com

and/or michaelmills1@gmail.com

GENERAL INFORMATION

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

Copy

1. If a corporation show:
(A) Date of organization 05/04/01 incorporated in the State of CA
(B) Names, titles and addresses of principal officers:

Dated 6/7/2011

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:
(B) Person responsible for operations and services: Michael Mills, CEO
831-688-8476

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
✓		11/2/09
✓		12/21/09
✓		2/4/10

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

Michael Mills D2 # 21442

Excess Capacity and Non-Tariffed Services

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

NONE

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

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

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: _____
 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:

FOR ALL WATER COMPANIES
SAFE DRINKING WATER BOND ACT/STATE REVOLVING FUND DATA (Continued)

5. Plant amounts included in Schedule A-1a, Account No. 101—Water Plant in Service which were funded using SDWBA or SRF funds:

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

SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2009)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service		201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant		224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash		253	Other deferred credits	
9	141	Accounts receivable - customers		255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - ACRS	
11	151	Materials and supplies			depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets			Total Equity and Liabilities	

SEE ATTACHED
-A

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)*	Balance End of year
1	301	Intangible plant					
2	303	Land					
3	304	Structures					
4	307	Wells	16,697				16,697
5	317	Other water source plant					
6	311	Pumping equipment	2,569				2,569
7	320	Water treatment plant					
8	330	Reservoirs tanks and sandpipes	37,247				37,247
9	331	Water mains	71,927				71,927
10	333	Services and meter installations					
11	334	Meters					
12	335	Hydrants					
13	339	Other equipment					
14	340	Office furniture and equipment					
15	341	Transportation equipment					
16		Total water plant in service	178,440				178,440

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
1	Balance in reserves at beginning of year			A. Method used to compute depreciation
2	Add: Credits to reserves during year			expense (Acct. 403) and rate.
3	(a) Charged to Account No. 272			
4	(b) Charged to Account No. 403			
5	(c) Charged to Account No. 407			
6	(d) Salvage recovered			B. Amount of depreciation expense claimed
7	(e) All other credits			or to be claimed on utility property in
8	Total credits			your federal income tax return for the year
9	Deduct: Debits to reserves during year			covered by this report \$
10	(a) Book cost of property retired			
11	(b) Cost of removal			
12	(c) All other debits			C. State method used to compute tax
13	Total debits			depreciation.
14	Balance in reserve at end of year			
15	(1) Explanation of all other credits	No rate base plant available. All are completely		
16	(2) Explanation of all other debits	depreciated. Only SDWBA financed plants		

Balance Sheet - As of 12/31/2009

As of 12/31/2009 (Cash Basis)

3/30/2010

Page 1

Account	12/31/2009 Balance
ASSETS	
Cash and Bank Accounts	
100 CCB Checking	0.00
102 BFCU Checking	1,673.55
103 Money Market	13,295.66
113 BFCU.CA Tnk Fndng	2,273.44
TOTAL Cash and Bank Accounts	17,242.65
TOTAL ASSETS	17,242.65
LIABILITIES & EQUITY	
LIABILITIES	
Credit Cards	
205 CapOne 8044.7545	0.00
TOTAL Credit Cards	0.00
Other Liabilities	
202 DWR Loan	0.00
204 PUC Surcharge	782.73
206 Special Fund	13,783.18
211 Intertie Grant	-639.70
213 Tank Funding	3,551.46
TOTAL Other Liabilities	17,477.67
TOTAL LIABILITIES	17,477.67
EQUITY	-235.02
TOTAL LIABILITIES & EQUITY	17,242.65

7-A

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2009)			
Line			
1	Common - (Shares	\$	par)
2	Preferred - (Shares	\$	par)
3	Dividends - Common	Rate - \$	
4	- Preferred	Rate - \$	

SCHEDULE E - LONG-TERM DEBTS								
Line	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
1								
2								
3								
4								

SCHEDULE F - INCOME STATEMENT			
Line	Acct.		
		Operating revenues	
1	460	Unmetered water revenue	52,246.65
2	462	Fire protection revenue	
3	465	Irrigation revenue	
4	470	Metered water revenue	
5	480	Other water revenue <i>Late Fees/Int</i>	275.34
6		Total Operating Revenue	52,522.04
7		Operating revenue deductions	
8		Operating expenses	
9	610	Purchased water	9322
10	615	Purchased power	6538.22
11	618	Other volume related expenses	
12	630	Employee labor	
13	640	Materials	6014.18
14	650	Contract work	1295-
15	660	Transportation expenses	2480.85
16	664	Other plant maintenance expense	4601.58
17	670	Office salaries	6400-
18	671	Management salaries	19,100-
19	674	Employee pensions and benefits <i>404 PR TJS</i>	15,722.24
20	676	Uncollectible accounts expense	
21	678	Office services and rentals	4120.48
22	681	Office supplies and expense	
23	682	Professional services	1169.81
24	684	Insurance	
25	688	Regulatory commission expense	
26	689	General expenses	1761.65
27		Total Operating Expenses	
28	403	Depreciation expense	
29	407	SDWBA loan amortization expense	
30	408	Taxes other than income taxes	467.60
31	409	State income tax expense	800-
32	410	Federal income tax expense	
33		Total Operating Revenue Deductions	57,415.33
34		Utility Operating Income	52,522.04
35	421	Non-utility income	
36	426	Miscellaneous non-utility expense	
37	427	Interest expense	
38		Net Income	5,106.71

See 8-A

Profit and Loss Statement 2009 - Last year

1/1/2009 through 12/31/2009 (Cash Basis)

3/30/2010

Page 1

Category Description	1/1/2009- 12/31/2009	% of Total
INCOME		
461 Unmetered Water Income	52,246.65	99.48 %
463 Late Fees	265.00	0.50 %
465 Interest Income	10.39	0.02 %
TOTAL INCOME	52,522.04	100 %
EXPENSES		
Uncategorized	0.00	0 %
404 Payroll Taxes	1,572.74	2.74 %
408 Taxes other than income	467.60	0.81 %
409 State Income Tax	800.00	1.39 %
610 Purchased Water	93.22	0.16 %
615 Purchased Power	6,538.22	11.39 %
640 Materials	6,014.18	10.47 %
650 Cntrct Wrk-Water Testing	1,295.00	2.26 %
660 Trnsprtn-Veh Expense	3,480.85	6.06 %
664 Other Plant Maintenance	4,601.58	8.01 %
670 Office Salaries	6,400.00	11.15 %
671 Management Salaries	19,100.00	33.27 %
678 Office Service and Rentals	4,120.48	7.18 %
679 Bank Charges	14.00	0.02 %
682 Professional Services	1,169.81	2.04 %
689 General Expense	1,747.65	3.04 %
TOTAL EXPENSES	57,415.33	100 %
OVERALL TOTAL	-4,893.29	100 %

8-A

SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS

Location	No.	Diam. Inch	Depth to Water Feet	Pumping Capacity (g.p.m.)	Annual Quantities Pumped
227D Redwood Drive	2	6	250	50	
3263 " "	3	6	250	25	
OTHER					
Streams or Springs Location of Diversion Point	Flow in Priority Right		Diversions (Unit)		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
Purchased water (unit)				Annual Quantity	
Supplier:					

SCHEDULE H - WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

Classification of Service	Month of Year		Annual Total
	Maximum	Minimum	
Residential			
Commercial			
Industrial			
Fire Protection			
Irrigation			
Other (specify)			
Total			

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Number at End of Year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
1	630	Employee Labor				
2	670	Office salaries	1			
3	671	Management salaries	1	18,000-		18,000-
4		Total	2	6,000-		6,000-

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

SCHEDULE K - TOTAL METERS AND SERVICES (Active and Inactive)		
Size	Meters	Services
5/8 x 3/4-in		
3/4-in		
1-in		
-in		
-in		
Total		

SCHEDULE L - 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 M - SERVICE CONNECTIONS AT END OF YEAR								
Classification	Active			Inactive			Total Connections*	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		75			4			79
Industrial/Commercial								
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify)			75			4		79
Total								

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

SCHEDULE N - STORAGE FACILITIES		
Description	No.	Combined Capacity in Gallons
Concrete		
Earth		
Wood		
Steel	2	95K
Other		
Total		

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)					
Description	2" and under	2 1/4 to 3 1/4	4"	Other Sizes (Specify)	Total
Cast Iron					
Welded steel					
Standard screw					
Cement-asbestos					
Plastic				8"	10,000
Other (specify)					
Total					10,000

FACILITY FEES DATA

NONE

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

1. Trust Account Information:

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

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

A. Commercial

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

B. Residential

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

3. Summary of the bank account activities showing:

	AMOUNT
Balance at beginning of year	\$ _____
Deposits during the year	_____
Interest earned for calendar year	_____
Withdrawals from this account	_____
Balance at end of year	_____

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

DECLARATION

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

I, the undersigned (authorized officer, partner or owner) of Pure Source Water, Inc. (Name of utility), under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, documents, and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period of January 1, 2009 through December 31, 2009.

Michael R. [Signature]

Signature

President / CEO

Title

March 29, 2010

Date