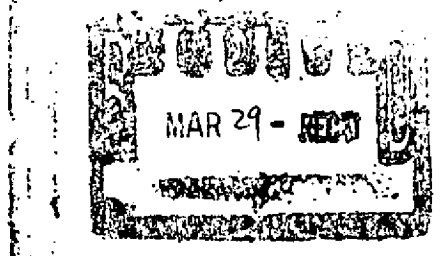


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Received _____
Examined _____

**CLASS D
WATER UTILITIES**

U# _____



**2003
ANNUAL REPORT
OF**

Sonoma Springs Water Company LLC
(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

P.O. Box 1175; Kenwood CA 95452
(OFFICIAL MAILING ADDRESS) ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2003**

**REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2004
(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.

SPECIAL INSTRUCTIONS

- 1 Beginning of year balances must agree with end of year balances shown in report for previous year.
Attach a supplementary statement to explain any differences.**
- 2 Attach a supplementary statement to explain adjustments in Schedule B - Water Plant in Service.**
- 3 Complete all schedules, using the words "None" or "Not applicable" if appropriate.**
- 4 Report must be prepared legibly in ink or by typewriter.**

Account Number	Operating Revenue	
470	Metered	8960
460	Unmetered	
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	8960
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	800
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	
650	Contract Work	3300
	Water Testing	870
660	Transportation Expense	
664	Other Plant Maintenance	1224
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	
676	Uncollectables	
678	Office Service and Rentals	
681	Office Supplies and Expense	
682	Professional Services	
684	Insurance	1250
688	Regulatory Expense	349
689	General Expense	
	Subtotal	7793
403	Depreciation Expense	1026
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than income	
409	State Income Tax	800
410	Federal Income Tax	
	Total Deductions	1826
	Net Revenue	-660
	Rate Base	

	Average Plant	46659
	Average Depreciation Reserve	26306
	Net Plant	20353
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	1500
	Plus: Material & Supplies	
	Rate Base	21853
	ROR=Net Rev/Rate Base	-3%

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
20_____

NAME OF UTILITY _____ PHONE _____

PERSON RESPONSIBLE FOR THIS REPORT _____
(Prepared from Information in the 20__ Annual Report)

	1/1/2003	12/31/2003	Average
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights			
3 Depreciable Plant	46659	46659	46659
4 Gross Plant in Service	46659	46659	46659
5 Less: Accumulated Depreciation	25793	26820	26306
6 Net Water Plant in Service	20866	19840	20353
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies			
10 Less: Advances for Construction	()	()	()
11 Less: Contribution in Aid of Construction	()	()	()
12 Less: Accumulated Deferred Income and Investment Tax Credits	()	()	()
13 Net Plant Investment	20866	19840	20353
CAPITALIZATION			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)	20413	21340	20877
16 Paid-in Capital			
17 Retained Earnings			
18 Common Stock and Equity (Lines 14 through 17)			
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	20413	21340	20877

(Revised 2/01)

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

20____

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

20____
(continued)

NAME OF UTILITY Sonoma Springs Water Company PHONE 805-692-2807

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	_____
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	8960
27	Total Operating Revenue	8960
28	<u>Operating Expenses</u>	_____
29	Depreciation Expense (Composite Rate 2.2%)	1026
30	Amortization and Property Losses	_____
31	Property Taxes	_____
32	Taxes Other Than Income Taxes	_____
33	Total Operating Revenue Deduction Before Taxes	1026
34	California Corp. Franchise Tax	800
35	Federal Corporate Income Tax	_____
36	Total Operating Revenue Deduction After Taxes	1840
37	Net Operating Income (Loss) - California Water Operations	-660
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	_____
39	Income Available for Fixed Charges	_____
40	Interest Expense	_____
41	Net Income (Loss) Before Dividends	_____
42	Preferred Stock Dividends	_____
43	Net Income (Loss) Available for Common Stock	_____

OTHER DATA

44	Refunds of Advances for Construction	_____
45	Total Payroll Charged to Operating Expenses	0
46	Purchased Water	_____
47	Power	800

<u>Active Service Connections</u>		(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections		24	24	24
49	Flat Rate Service Connections		_____	_____	_____
50	Total Active Service Connections		24	24	24

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Sonoma Springs Water Company LLC

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

P.O. Box 1175 Kenwood CA 95452

(Official mailing address)

Sonoma Springs Resort & Vicinity, Sonoma County

(Service area-town and county)

GENERAL INFORMATION

**RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES**

- 1 If a corporation show:
 - (A) Date of organization Dec-00 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers: Bernard Macelhenny
4141 State Street, E-10; Santa Barbara CA 93110
- 2 If unincorporated give the name and address of owner or of each partner:
- 3 Name and telephone number of:
 - (A) One person listed above to receive correspondence: Bernard Macelhenny
 - (B) Person responsible for operations and services: 805-692-2807
- 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		Oct-03
X		Mar-04
X		Jan-04
N/A		
N/A		

SPECIAL INSTRUCTIONS (over)

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 20__)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	46659	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	21340
5	108	Accumulated depreciation of water plant	-26820	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash	1500	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	21340		Total Equity and Liabilities	21340

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
16	301	Intangible plant					
17	303	Land					
18	304	Structures					
19	307	Wells	5500				5500
20	317	Other water source plant					
21	311	Pumping equipment	4666				4666
22	320	Water treatment plant	979				979
23	330	Reservoirs tanks and sandpipes	7500				7500
24	331	Water mains	11550				11550
25	333	Services and meter installations	10340				10340
26	334	Meters	1624				1624
27	335	Hydrants	4500				4500
28	339	Other equipment					
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	46659				46659

* 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	25793		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	1026		
35	(b) Charged to Account No. 272			
36	(c) Charged to clearing accounts			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	26819		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 20__)

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	
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	8960
14	480 Other water revenue	
15	Total Operating Revenue	8960
16	Operating revenue deductions	XXXXXXXXXX
17	Operating expenses	XXXXXXXXXX
18	610 Purchased water	
19	615 Power	800
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	
23	650 Contract work	3300
24	660 Transportation expenses	
25	664 Other plant maintenance expense	1224
26	670 Office salaries	
27	671 Management salaries	
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	
31	681 Office supplies and expense	
32	682 Professional services	
33	684 Insurance	1250
34	688 Regulatory commission expense	349
35	689 General expenses	870
36	Total Operating Expenses	7793
37	403 Depreciation expense	1026
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	800
40	409 State corporate income tax expense	
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	9619
43	Utility Operating Income	-659
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	-659

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

OTHER

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

SCHEDULE H - OPTIONAL 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 & business			1.6 MG
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			1.6 MG

SCHEDULE I - EMPLOYEES AND THEIR COMPENS

6922.78

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				
50	671	Management salaries				
51		Total				

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	23	23
3/4-in		
1-in		
-in		
2-in	1	1
Total	24	24

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	23		23					
Industrial								
Other (business)	1		1					
Subtotal								
Fire protection (Hydrants)	3		3					
Total	27		27					

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	Footages				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete	1	16000	Cast Iron					
Earth			Welded steel					
Wood			Standard screw					
Steel			Cement-asbestos			500		500
Other			Plastic	200				200
			Other (specify)					
Total	1	16000	Total	200		500		700

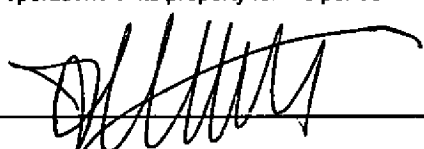
DECLARATION

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

I, the undersigned (officer) of Sonoma Springs Water Company LLC, 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, 2003, to and including December 31, 2003

Signed _____



Title
31-Mar-04
Date