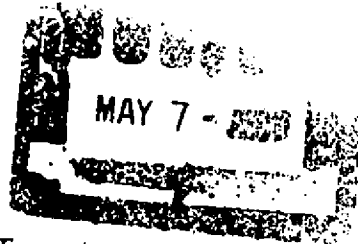


JV

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____



2003
ANNUAL REPORT
OF

SONORA WATER COMPANY, INC

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

PO BOX 996

SONORA CA 95370

(OFFICIAL MAILING ADDRESS)

ZIP

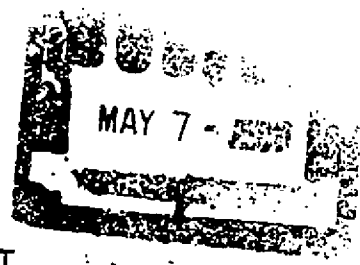
TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2003

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2004
(FILE TWO COPIES IF THREE RECEIVED)

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____



2003
ANNUAL REPORT
OF

SONORA WATER COMPANY, INC

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

PO BOX 996

SONORA CA 95370

(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.

Account Number	Operating Revenue	
470	Metered	131434
460	Unmetered	
465	Irrigation	
462-480	Private Fire Protection	131434
	Total Revenue	
	Operating Expenses	
610	Purchased Water	79113
615	Purchased Power	
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	16238
650	Contract Work	
	Water Testing	720
660	Transportation Expense	
664	Other Plant Maintenance	2399
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	7000
676	Uncollectables	
678	Office Service and Rentals	185
681	Office Supplies and Expense	2550
682	Professional Services	13825
684	Insurance	4281
688	Regulatory Expense	
689	General Expense	3373
	Subtotal	50571
403	Depreciation Expense	1326
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than income	508
409	State Income Tax	800
410	Federal Income Tax	
	Total Deductions	132316
	Net Revenue	(882)
	Rate Base	

	Average Plant	61714
	Average Depreciation Reserve	39110
	Net Plant	22604
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	
	Plus: Material & Supplies	
	Rate Base	
	ROR=Net Rev/Rate Base	

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

SONORA WATER COMPANY, INC

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

PO BOX 996

(Official mailing address)

SONORA CA 95370 TUOLUMNE COUNTY

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization 9/19/66 incorporated in the State of CALIFORNIA
 - (B) Names, titles and addresses of principal officers:
BEVERLY BROWN, MILLA VILLA ESTATES, MICHAELN FINCH
- 2 If unincorporated give the name and address of owner or of each partner:

- 3 Name and telephone number of: BEVERLY BROWN (209) 532-4806
 - (A) One person listed above to receive correspondence: SAME
 - (B) Person responsible for operations and services: SAME
- 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) YES
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?
ACCOUNTING SERVICES OF BEVERLY BROWN \$13200
- 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: N/A

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		12/03
X		
X		

SPECIAL INSTRUCTIONS (over)

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.

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
20_03

NAME OF UTILITY SONORA WATER COMPANY, INC

PHONE (209) 532-4806

PERSON RESPONSIBLE FOR THIS REPORT ANN Y FOSTER

(Prepared from Information in the 2002 Annual Report)

	1/1/03	12/31/03	Average
BALANCE SHEET DATA			
1 Intangible Plant	1450	1405	1450
2 Land and Land Rights	1327	1327	1327
3 Depreciable Plant	58937	58937	58937
4 Gross Plant in Service	61714	61714	61714
5 Less: Accumulated Depreciation	37784	39110	38447
6 Net Water Plant in Service	23930	22604	23267
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	23930	22604	23267
CAPITALIZATION			
14 Common Stock	43300	43300	43300
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	(649)	(1531)	(1090)
18 Common Stock and Equity (Lines 14 through 17)	42651	41769	42210
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	42651	41769	42210

(Revised 2/01)

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

2003
(continued)

NAME OF UTILITY SONORA WATER CO., INC PHONE (209)532-4826

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	_____
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	_____
27	Total Operating Revenue	<u>131434</u>
28	<u>Operating Expenses</u>	<u>131434</u>
29	Depreciation Expense (Composite Rate <u>2%</u>)	_____
30	Amortization and Property Losses	<u>1326</u>
31	Property Taxes	_____
32	Taxes Other Than Income Taxes	<u>526</u>
33	Total Operating Revenue Deduction Before Taxes	_____
		<u>1852</u>
34	California Corp. Franchise Tax	_____
35	Federal Corporate Income Tax	<u>800</u>
36	Total Operating Revenue Deduction After Taxes	_____
		<u>2652</u>
37	Net Operating Income (Loss) - California Water Operations	<u>(882)</u>
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	<u>(882)</u>

OTHER DATA

44	Refunds of Advances for Construction	_____
45	Total Payroll Charged to Operating Expenses	_____
46	Purchased Water	_____
47	Power	<u>79113</u>

	<u>Active Service Connections</u>	(Exc. Fire Protect.)	Annual		
			Jan. 1	Dec. 31	Average
48	Metered Service Connections		99	99	99
49	Flat Rate Service Connections		_____	_____	_____
50	Total Active Service Connections		<u>99</u>	<u>99</u>	<u>99</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:

Name: N/A
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: _____

6. Plant amounts included in Schedule A, 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					

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

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	61714	201	Common Stock (Corporations only)	43300
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	(9822)
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	39110	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash	5751	253	Other deferred credits	
9	141	Accounts receivable - customers	5123	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs depreciation	
11	151	Materials and supplies			Accumulated deferred income taxes - other	
12	174	Other current assets		283	Contributions in aid of construction	
13	180	Deferred charges		271	Accumulated amortization of contributions	
14				272		
15		Total Assets	33478		Total Equity and Liabilities	33478

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	PII Additions During year	PII Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant	1450				1450
17	303	Land	1327				1327
18	304	Structures					
19	307	Wells					
20	317	Other water source plant					
21	311	Pumping equipment					
22	320	Water treatment plant	10514				10514
23	330	Reservoirs tanks and sandpipes	33284				33284
24	331	Water mains	3132				3132
25	333	Services and meter installations	8556				8556
26	334	Meters	662				662
27	335	Hydrants					
28	339	Other equipment					
29	340	Office furniture and equipment	2789				2789
30	341	Transportation equipment					
31		Total water plant in service	61714				61714

* 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	37784		A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year			2%
34	(a) Charged to Account No. 403	1326		
35	(b) Charged to Account No. 272			
36	(c) Charged to clearing accounts			B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$
37	(d) Salvage recovered			
38	(e) All other credits			
39	Total credits			
40	Deduct: Debits to reserves during year			C. State method used to compute tax depreciation.
41	(a) Book cost of property retired			
42	(b) Cost of removal			
43	(c) All other debits			
44	Total debits			STRAIGHT LINE
45	Balance in reserve at end of year			
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits	39110		

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2003)

Line				
1	Common - (Shares	433	\$ 100	par)
2	Preferred - (Shares		\$	par)
3	Dividends - Common	Rate - \$		
4	- Preferred	Rate - \$		

List persons owning more than 5% of outstanding stock and number of shares owned by each:
 G.MALCOM 108 M.FINCK 108
 B.BROWN 217

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	131434
14	480 Other water revenue	
15	Total Operating Revenue	131434
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	79113
19	615 Power	
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	16238
23	650 Contract work	720
24	660 Transportation expenses	
25	664 Other plant maintenance expense	2399
26	670 Office salaries	
27	671 Management salaries	
28	674 Employee pensions and benefits	7000
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	185
31	681 Office supplies and expense	2550
32	682 Professional services	13825
33	684 Insurance	4281
34	688 Regulatory commission expense	
35	689 General expenses	3373
36	Total Operating Expenses	129684
37	403 Depreciation expense	
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	506
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	132316
43	Utility Operating Income	(882)
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	(882)

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) Divisions		Annual quantities diverted (Unit)
	Priority right		Max	Min	
	Claim	Capacity			
Purchased water (unit) GALLONS			Annual quantity		
Supplier: TUOLUMNE UTILITY DISTRICT			40,087,264		

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			
Industrial			
Public authorities			
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				
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		
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								
Industrial								
Other (specify)								
Subtotal								
Fire protection (Hydrants)								
Total								

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	2 1/4 to	4"	Other sizes (specify)	Totals
				under	3 1/4			
Concrete			Cast Iron					
Earth			Welded steel				430	430
Wood			Standard screw	135	50	210		395
Steel	1	100000	Cement-asbestos			3607	3980	8273
Other			Plastic	840	10		2400	3250
			Other (specify)					
Total			Total	975	60	3817	6810	12348

DECLARATION

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

I, the undersigned (officer, partner or owner) of SONORA WATER COMPANY, 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, 2003 to and including DECEMBER 31, 2003

Signed _____

Title General Manager

Date May 5, 2004

As reviewed from Accountant