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Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____



2005
ANNUAL REPORT
OF

SONORA WATER COMPANY

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

P.O. BOX 966

SONORA, CA 95370

(OFFICIAL MAILING ADDRESS)

ZIP

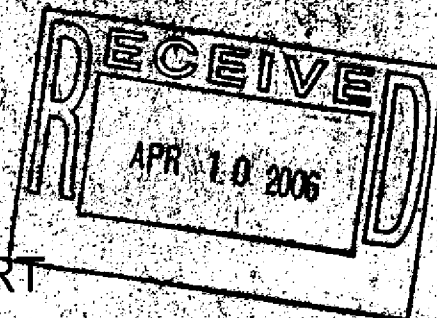
TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2005

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2006
(FILE TWO COPIES IF THREE RECEIVED)

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TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2005

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2006
(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
ATTENTION: KAYODE KAJOPAIYE
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	132,405
460	Unmetered	
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	132,405
	Operating Expenses	
610	Purchased Water	78,514
615	Purchased Power	
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	2,417
650	Contract Work	37,572
	Water Testing	1,765
660	Transportation Expense	
664	Other Plant Maintenance	
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	
676	Uncollectables	
678	Office Service and Rentals	
681	Office Supplies and Expense	2,824
682	Professional Services	
684	Insurance	5,812
688	Regulatory Expense	1,842
689	General Expense	
	Subtotal	130,746
403	Depreciation Expense	1,179
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than income	546
409	State Income Tax	800
410	Federal Income Tax	
	Total Deductions	133,271
	Net Revenue	-866
	Rate Base	

	Average Plant	61,714
	Average Depreciation Reserve	41,026
	Net Plant	20,689
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	5,526
	Plus: Material & Supplies	
	Rate Base	26,334
	ROR=Net Rev/Rate Base	

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

SONORA WATER COMPANY

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

P.O. BOX 996

(Official mailing address)

SONORA, CA 95370

(Service area-town and county)

GENERAL INFORMATION

**RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES**

- 1 If a corporation show:
 - (A) Date of organization 9/19/1966 incorporated in the State of CA
 - (B) Names, titles and addresses of principal officers: GERRIT MALCOLM, PRESIDENT
P.O. BOX 11125
OAKLAND, CA 94611
- 2 If unincorporated give the name and address of owner or of each partner: BEVERLY A. BROWN, SECRETARY/TREASURER
P.O. BOX 326
SONORA, CA 95370
- 3 Name and telephone number of:
 - (A) One person listed above to receive correspondence: BEVERLY A. BROWN, SECRETARY/TREASURER
P.O. BOX 326
 - (B) Person responsible for operations and services: SONORA, CA 95370
- 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? MANAGEMENT SERVICES, \$1,100 PER MONTH, ACCOUNT 650, CONTRACT WORK, PAID TO B & B ENTERPRISES
- 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: B & B ENTERPRISES, SOLE PROPRIETORSHIP, CONTROLLED BY BEVERLY A. BROWN, SECRETARY/TREASURER OF SONORA WATER CO.

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		9/05
X		12/05
X		1966

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
20⁰⁵

NAME OF UTILITY SONORA WATER COMPANY PHONE 209-532-5171

PERSON RESPONSIBLE FOR THIS REPORT ERIC A. CARLSON
(Prepared from Information in the 20⁰⁵ Annual Report)

BALANCE SHEET DATA		<u>1/1/05</u>	<u>12/31/05</u>	Average
1	Intangible Plant	1,450	1,450	1,450
2	Land and Land Rights	1,327	1,327	1,327
3	Depreciable Plant	58,937	58,937	58,937
4	Gross Plant in Service	61,714	61,714	61,714
5	Less: Accumulated Depreciation	40,436	41,615	41,026
6	Net Water Plant in Service	21,278	20,099	20,689
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	21,278	20,099	20,689
CAPITALIZATION				
14	Common Stock	43,300	43,300	43,300
15	Proprietary Capital (Individual or Partnership)			
16	Paid-in Capital			
17	Retained Earnings	-2,301	-14,895	-8,598
18	Common Stock and Equity (Lines 14 through 17)	40,999	28,405	34,702
19	Preferred Stock			
20	Long-Term Debt			
21	Notes Payable			
22	Total Capitalization (Lines 18 through 21)	40,999	28,405	34,702

(Revised 2/01)

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

20 05
(continued)

NAME OF UTILITY SONORA WATER COMPANY PHONE 209-532-4806

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	_____
24	Fire Protection Revenue	_____
25	Irrigation Revenue	_____
26	Metered Water Revenue	_____
27	Total Operating Revenue	<u>132,405</u>
28	<u>Operating Expenses</u>	<u>132,405</u>
29	Depreciation Expense (Composite Rate <u>2%</u>)	<u>130,746</u>
30	Amortization and Property Losses	<u>1,179</u>
31	Property Taxes	_____
32	Taxes Other Than Income Taxes	_____
33	Total Operating Revenue Deduction Before Taxes	<u>546</u>
34	California Corp. Franchise Tax	<u>132,471</u>
35	Federal Corporate Income Tax	<u>800</u>
36	Total Operating Revenue Deduction After Taxes	<u>133,271</u>
37	Net Operating Income (Loss) - California Water Operations	<u>-866</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	_____
39	Income Available for Fixed Charges	<u>-866</u>
40	Interest Expense	_____
41	Net Income (Loss) Before Dividends	<u>-866</u>
42	Preferred Stock Dividends	_____
43	Net Income (Loss) Available for Common Stock	<u>-866</u>
 OTHER DATA		
44	Refunds of Advances for Construction	_____
45	Total Payroll Charged to Operating Expenses	_____
46	Purchased Water	<u>78,514</u>
47	Power	_____

<u>Active Service Connections</u>		(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections		105	105	105
49	Flat Rate Service Connections		_____	_____	_____
50	Total Active Service Connections		_____	_____	_____

**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: NONE

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, 20⁰⁵)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	61,714	201	Common Stock (Corporations only)	43,300
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	14,895
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	-41,615	224	Long term debt	
6	114	Water plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash	5,526	253	Other deferred credits	
9	141	Accounts receivable - customers	2,780	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	28,405		Total Equity and Liabilities	28,405

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	1,450				1,450
17	303	Land	1,327				1,327
18	304	Structures					
19	307	Wells					
20	317	Other water source plant					
21	311	Pumping equipment					
22	320	Water treatment plant					
23	330	Reservoirs tanks and sandpipes	58,937				58,937
24	331	Water mains					
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	61,714				61,714

* 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	N/A	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			S/L 2%
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 \$ 1,179
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			S/L 50 YEARS
45	Balance in reserve at end of year	0		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 20 05)

Line	Class	Shares	Rate	Par Value	Other	Notes
1	Common - (Shares	433	\$ 10	par)		List persons owning more than 5% of outstanding stock and number of shares owned by each: BEVERLY BROWN 217 GERRIT MALCOLM 108 MICHAELYN FINCK 108
2	Preferred - (Shares		\$	par)		
3	Dividends - Common	Rate - \$	N/A			
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	N/A						
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	132,405
14	480 Other water revenue	
15	Total Operating Revenue	132,405
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	78,514
19	615 Power	
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	2,417
23	650 Contract work	39,337
24	660 Transportation expenses	
25	664 Other plant maintenance expense	
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	2,824
32	682 Professional services	
33	684 Insurance	5,812
34	688 Regulatory commission expense	1,842
35	689 General expenses	
36	Total Operating Expenses	130,746
37	403 Depreciation expense	1,179
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	546
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	2,525
43	Utility Operating Income	
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	-860

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
N/A					

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) GALLONS			Annual quantity	
Supplier: TUOLUMNE UTILITIES DISTRICT			46,171,788	

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit) NOT AVAILABLE

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business	105	105	105
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION NONE

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	0
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	0

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

Size	Meters	Services
5/8 x 3/4-in	92	
3/4-in		
1-in	12	
3-in	1	
-in		
Total	105	

SCHEDULE L - METER-TESTING DATA NONE

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	105		105				105	
Industrial								
Other (specify)								
Subtotal	105		105				105	
Fire protection (Hydrants)								
Total	105		105				105	

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	2 1/4 to 3 1/4	4"	Other sizes (specify)	Totals	
Concrete			Cast Iron						
Earth			Welded steel				430		430
Wood			Standard screw	135	50	210			395
Steel	1	100,000	Cement-asbestos			3607	3980		7,587
Other			Plastic	840	10		2400		3,250
			Other (specify)						
Total	1	100,000	Total	975	60	3817	6810		11,662

DECLARATION

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

I, the undersigned (officer, partner or owner) of SONORA WATER COMPANY (Name of utility), under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period

From and including JANUARY 1, 2005, to and including DECEMBER 31, 2005

Signed

[Signature]
SECRETARY/TREASURER

Title

MARCH 15, 2006

Date