

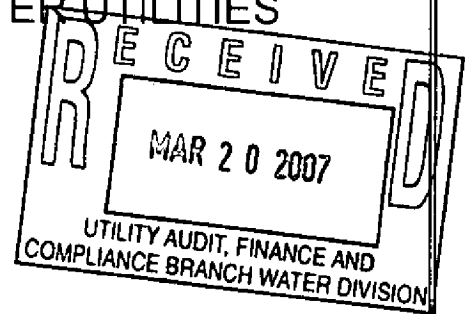
*Original*

Received \_\_\_\_\_

Examined \_\_\_\_\_

CLASS D  
WATER UTILITIES

U# \_\_\_\_\_



2006  
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, 2006

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2007  
(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**

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 calander year, from January 1 through December 31. Fiscal year reports will not be accepted.

**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  
SONORA, CA 95370

(Official mailing address)

**SONORA, TUOLUMNE**

(Service area-town and county)

**Telephone Number: 209-532-4806 Fax Number: 209-533-1279 Email Address: grandmabe@mlode.com**

**GENERAL INFORMATION**

(Attach a supplementary statement, if necessary)

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:  
see attached
- 2 If unincorporated provide the name and address of the owner(s) or the partners:  
n/a
- 3 Name, title, and telephone number of:
  - (A) One person listed above to receive correspondence: See attached
  - (B) Person responsible for operations and services: See attached
- 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? see attached
- 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: see attached

**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		6/06
x		12/06
x		1966

- 11 List Name, Grade, and License Number of all Licensed Operators:  
Billy D. Brown, D1, 17717

Excess Capacity and Non-Tariffed Services

NOTE: In D 00-07-018, D 03-04-026, 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 companies Annual Report to the Commission.

Based on the information and filings required in D 00-07-018, D 03-04-026, and D 04-12-023, provide the following information for each individual non-tariffed good and service provided in 2007.

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

None

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

Please COMPLETE 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: \_\_\_\_\_ none

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Date Hired: \_\_\_\_\_

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

\$ \_\_\_\_\_

3. 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	_____

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

4. Plant amounts which were funded using SDWBA funds should also be included in Schedule A, Account No. 101--Water Plant in Service

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	1,450				1,450
3	303	Land	1,327				1,327
4		Total non-depreciable plant	2,777				2,777
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	58,937	197,878	58,937		197,878
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	61,714	197,878	58,937		200,655

**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2006)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	200,655	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	-41,554
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	-1,319	224	Long term debt	203,878
6	114	Water plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash	3,785	253	Other deferred credits	
9	141	Accounts receivable - customers	2,503	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		<b>Total Assets</b>	<b>205,624</b>		<b>Total Equity and Liabilities</b>	<b>205,624</b>

**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	-			1450
17	303	Land	1,327				1327
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	197,878	(58,937)		197,878
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		<b>Total water plant in service</b>	<b>61,714</b>	<b>197,878</b>	<b>(58,937)</b>	<b>-</b>	<b>200,655</b>

\* 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. 272			S/L 2%
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 \$ 1,810
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, 2006)**

Line				
1	Common - (Shares	433 \$	10 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 - \$	n/a	Beverly A. Brown 217
4	- Preferred	Rate - \$		Gerrit Malcolm 216

**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	Interest only - see attached	7/06	n/a	203,878	203,878	7%	0	5,027
6								
7								
8	Totals			203,878	203,878			5,027

**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	168,844
14	480 Other water revenue	
15	Total Operating Revenue	168,844
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	96,559
19	615 Purchased power	
20	618 Other volume related expenses	
21	630 Employee labor	
22	640 Materials	4,078
23	650 Contract work	45,917
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	2,911
32	682 Professional services	11,518
33	684 Insurance	5,617
34	688 Regulatory commission expense	
35	689 General expenses - education	1,500
36	Total Operating Expenses	168,100
37	403 Depreciation expense	1,810
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	2,935
40	409 State income tax expense	800
41	410 Federal income tax expense	
42	Total Operating Revenue Deductions	5,545
43	Utility Operating Income	
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	5,027
47	Net Income	(9,828)



**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 Priority right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
Purchased water (unit) gallons					
Supplier: Tuolumne Utilities District			Annual Quantity		
					7,680,425

**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	105	104	104 active meters/
Industrial/Commercial			1 inactive meter
Fire Protection			
Irrigation			
Other (specify)			
Total	105	104	

**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	none			

**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	82	
3/4-in		
1-in	12	
2-in	10	
3-in	1	
<b>Total</b>	<b>105</b>	

**SCHEDULE L - METER-TESTING DATA**

Number of meters tested during year		
1	Used, before repair...	none
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	104			1			105	
Industrial/Commercial								
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify)								
<b>Total</b>	<b>104</b>			<b>1</b>			<b>105</b>	

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)**

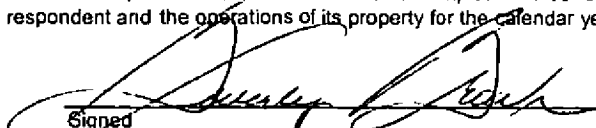
Description	No.	Combined capacity in gallons	Description	Footages of Pipe				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete			Cast Iron					
Earth			Welded steel				430	430
Wood			Standard screw	135	50	210		395
Steel	1	101,000 gallons	Cement-asbestos			3,607	3980	7587
Other			Plastic	840	10		2400	3250
Plastic	10	3,000 gallons	Other (specify)					
<b>Total</b>	<b>11</b>	<b>104,000 gallons</b>	<b>Total</b>	<b>975</b>	<b>60</b>	<b>3,817</b>	<b>6810</b>	<b>11662</b>

**DECLARATION**

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

I, the undersigned (officer, partner or owner) of Sonora 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, 2006 through December 31, 2006.

  
 \_\_\_\_\_  
 Signed  
 Secretary/Treasurer  
 Title  
 March 15, 2007  
 Date

Sonora Water Company  
2006 Annual Report

Page 3 - General Information

1. (B) Gerrit Malcolm, president  
P.O. Box 11125  
Oakland, CA 94611  
  
Beverly A. Brown, secretary/treasurer  
P.O. Box 326  
Sonora, CA 95370
3. (A) Beverly A. Brown, secretary/treasurer  
209-532-4806
3. (B) Beverly A. Brown, secretary/treasurer  
209-532-4806
4. Management services  
\$1,100 per month  
B & B Enterprises  
Account 650
5. B & B Enterprises, sole proprietorship  
Controlled by Beverly A. Brown  
Secretary/treasurer of  
Sonora Water Company

Page 8 - Schedule E

Gerrit Malcolm, officer and shareholder, loaned the company \$203,878 in order to purchase new water tanks. This is an interest only loan. The company is currently trying to get financing to pay off the loan. The company will then make payments to the lending institution.