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*From Consultant
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**CLASS D
WATER UTILITIES**

U# _____

**2010
ANNUAL REPORT
OF**

SONORA WATER COMPANY

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

P.O. BOX 996

SONORA, CA 95370
(OFFICIAL MAILING ADDRESS)

ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2010**

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2011

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INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2011**, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS
ATTN: KAYODE KAJOPAIYE
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 Page12, must be signed by an authorized 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. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2010, through December 31, 2010. 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

(Official mailing address)

SONORA, CA 95370

(Service Area - Town and County)

Telephone Number: 209-532-2806 Fax Number: 530-993-4307

Email Address: brown.bev@gmail.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 CALIFORNIA

(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:

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)
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	Jun-06
	X	12/31/2009
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.03-04-028, 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.

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 2010:

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)	Revenue Account Number	Total Expenses Incurred to Provide Non-Tariffed Goods/ Services (by Account)	Expense Account Number	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, 2010)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	210,650	201	Common Stock (Corporations only)	15,724
2	101.1	SDWA Plant		211	Other paid-in capital (Corporations only)	
3	103	Water plant held for future use		215	Retained earnings	(160,078)
4	104	Water plant purchased or sold		218	Proprietary capital	
5	105	Water plant construction work in progress		224	Long term debt	290,829
6	108	Accumulated depreciation of water plant	(28,782)		Current Liabilities	37,990
7	114	Water plant acquisition adjustments		252	Advances for construction	
8	124	Other investments		253	Other deferred credits	
9	131	Cash	1,395	255	Accumulated deferred investment tax credits	
10	141	Accounts receivable - customers	929	282	Accumulated deferred income taxes - ACRS depreciation	
11	142	Receivables from associated companies			Accumulated deferred income taxes - other	
12	151	Materials and supplies		283	Contributions in aid of construction	
13	174	Other current assets	274	271	Accumulated amortization of contributions	
14	180	Deferred charges		272		
15		Total Assets	184,466		Total Equity and Liabilities	184,465

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	2,620				2,620
2	303	Land	1,327				1,327
3	304	Structures					-
4	307	Wells					-
5	317	Other water source plant					-
6	311	Pumping equipment					-
7	320	Water treatment plant					-
8	330	Reservoirs tanks and sandpipes	206,703				206,703
9	331	Water mains					-
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	210,650	-	-	-	210,650

* 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	23,549		A. Method used to compute depreciation expense (Acct. 403) and rate.
2	Add: Credits to reserves during year			SL 2.5%
3	(a) Charged to Account No. 272			
4	(b) Charged to Account No. 403	5,233		
5	(c) Charged to Account No. 407			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 \$
6	(d) Salvage recovered			
7	(e) All other credits			
8	Total credits	5,233		
9	Deduct: Debits to reserves during year			C. State method used to compute tax depreciation.
10	(a) Book cost of property retired			SL 40 YEARS
11	(b) Cost of removal			
12	(c) All other debits			
13	Total debits	-		
14	Balance in reserve at end of year	28,782		
15	(1) Explanation of all other credits			
16	(2) Explanation of all other debits			

AMERICA 8/20/12

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2010)

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 - \$		BEVERLY BROWN - 217
4	- Preferred	Rate - \$		

SCHEDULE E - LONG-TERM DEBTS

	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	BANK LOAN	8/16/2007	7/9/2017	\$ 117,000	\$ 111,007	8%	0	\$ 9,098
2	BANK LOAN	8/20/2007	8/20/2009	\$ 93,000	\$ 79,822	8%	0	\$ 6,037
3	TUD (Settlement)	12/31/2010	-	\$ 100,000	\$ 100,000			
4	Total			\$ 310,000	\$ 290,829			\$ 15,135

SCHEDULE F - INCOME STATEMENT

1	Acct.	Operating revenues		Adjusted Balance
2	460	Unmetered water revenue		
3	462	Fire protection revenue		
4	465	Irrigation revenue		
5	470	Metered water revenue	136,325	142,274
6	475	Approved Total Surcharge Revenue(s)	10,600	0
7	480	Other water revenue	0	11,433
8		Total Revenue Received	146,925	153,707
9		Less: Revenue Deductions		
10		SDWBA/SRF surcharge revenue		
11		Total Operating Revenue	146,925	153,707
12		Operating expenses		
13	610	Purchased water	60,767	104,865
14	615	Purchased power		
15	618	Other volume related expenses		
16	630	Employee labor	0	9,022
17	640	Materials	1,033	2,000
18	650	Contract work	20,102	1,134
		Water Testing	0	21,981
19	660	Transportation expenses	0	2,300
20	664	Other plant maintenance expense		
21	670	Office salaries		
22	671	Management salaries	15,000	15,000
23	674	Employee pensions and benefits		
24	676	Uncollectible accounts expense	0	833
25	678	Office services and rentals		
26	681	Office supplies and expense	6,382	8,750
27	682	Professional services	3,171	2,037
28	684	Insurance	2,988	2,988
29	688	Regulatory commission expense	3,127	3,127
30	689	General expenses	6,597	1,359
31		Total Operating Expenses	128,167	176,396
32	403	Depreciation expense	5,641	5,233
33	407	SDWBA loan amortization expense		
34	408	Taxes other than income taxes	837	1,918
35	409	State income tax expense	800	800
36	410	Federal income tax expense		
37		Total Operating Revenue Deductions	7,148	7,951
38		Utility Operating Income		
39	421	Non-utility income	236	
40	426	Miscellaneous non-utility expense	0	556
41	427	Interest expense	13,970	8,917
42		Net Income	(2,226)	(39,114)

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2010)

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 - \$		BEVERLY BROWN - 217
4	- Preferred		Rate - \$		

SCHEDULE E - LONG-TERM DEBTS

	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	BANK LOAN	8/16/2007	7/9/2017	\$ 117,000	\$ 111,007	8%	0	\$ 9,098
2	BANK LOAN	8/20/2007	8/20/2009	\$ 93,000	\$ 79,822	8%	0	\$ 8,037
3	TUD (Settlement)	12/31/2010	-	\$ 100,000	\$ 100,000			
4	Total			\$ 310,000	\$ 290,829			\$ 15,135

SCHEDULE F - INCOME STATEMENT

1	Acct.	Operating revenues		Adjusted Balance
2	460	Unmetered water revenue		
3	462	Fire protection revenue		
4	465	Irrigation revenue		
5	470	Metered water revenue	136,325	142,274
6	475	Approved Total Surcharge Revenue(s)	40,500	0
7	480	Other water revenue	0	11,433
8		Total Revenue Received	446,825	153,707
9		Less: Revenue Deductions		
10		SDWBA/SRF surcharge revenue		
11		Total Operating Revenue	446,825	153,707
12		Operating expenses		
13	610	Purchased water	60,767	104,865
14	615	Purchased power		
15	618	Other volume related expenses		
16	630	Employee labor	0	9,022
17	640	Materials	4,033	2,000
18	650	Contract work	29,402	1,134
		Water Testing	0	21,981
19	660	Transportation expenses	0	2,300
20	664	Other plant maintenance expense		
21	670	Office salaries		
22	671	Management salaries	15,000	15,000
23	674	Employee pensions and benefits		
24	676	Uncollectible accounts expense	0	833
25	678	Office services and rentals		
26	681	Office supplies and expense	6,382	8,750
27	682	Professional services	3,471	2,037
28	684	Insurance	2,988	2,988
29	688	Regulatory commission expense	3,127	3,127
30	689	General expenses	6,567	1,359
31		Total Operating Expenses	428,167	175,396
32	403	Depreciation expense	6,544	5,233
33	407	SDWBA loan amortization expense		
34	408	Taxes other than income taxes	837	1,918
35	409	State income tax expense	800	800
36	410	Federal income tax expense		
37		Total Operating Revenue Deductions	7,448	7,951
38		Utility Operating Income		
39	421	Non-utility income	235	
40	426	Miscellaneous non-utility expense	0	556
41	427	Interest expense	43,970	8,917
42		Net Income	(2,226)	(39,114)

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 Priority Right		(Unit) Diversions		Annual Quantities Diverted
	Claim	Capacity	Max	Min	Unit
Purchased water (unit)					
Supplier: Tuolumne Utilites District				Annual Quantity	
				4,816,435 CF	

SCHEDULE H - WATER DELIVERED TO METERED CUSTOMERS

(If figures are available) (specify unit)

Classification of Service	Month of Year		Total for Year
	Maximum	Minimum	
Residential	107		107
Commercial			
Industrial			
Fire Protection			
Irrigation			
Other (specify)			
Total	107		107

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	-			
3	671	Management salaries	1	15,000	-	15,000
4		Total	1	15,000	-	15,000

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	83	
3/4-in		
1-in	13	
2-in	10	
3-in	1	
Total	107	

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 NONE	

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences	107		107				107	
Industrial/Commercial								
Irrigation								
Fire Protection (public)								
Fire Protection (private)								
Other (specify)								
Total	107						107	

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			Cast Iron					-
Earth			Welded steel				430	430
Wood			Standard screw	135	50	210		395
Steel	1	110,000	Cement-asbestos			3,607	3,980	7,587
Other			Plastic	840	10		2,400	3,250
PLASTIC	10	30,000	Other (specify)					
Total		140,000	Total	840	60	3,817	6,810	11,662

FACILITY FEES DATA

Please provide the following information relating to Facility Fees collected for the calendar year 2010, 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 BEVERLY BROWN
Officer, Partner, or Owner (Please Print)

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 of January 1, 2010, through December 31, 2010.

Title (Please Print)

Signature

209-532-2806
Telephone Number

Date

SONORA WATER COMPANY
2009 ANNUAL REPORT

PAGE 3· GENERAL INFORMATION

1. (B) BEVERLY A. BROWN, SECRETARY/TREASURER
P.O. BOX 125
CHILCOOT, CA 96105

BILL BROWN, CEO
P.O. BOX 996
SONORA, CA 95370

PEITRA WIVELL, SECRETARY/TREASURER
P.O. BOX 1126
COLUMBIA, CA 95310

3. (A) BEVERLY A. BROWN, SECRETARY/TREASURER
209-532-4806

3. (B) BEVERLY A. BROWN, SECRETARY/TREASURER
209-532-4806

4. MANAGEMENT SERVICES
\$1,250 PER MONTH
B&B ENTERPRISES
ACCOUNT 650

5. B&B ENTERPRISES, SOLE PROPRIETORSHIP
CONTROLLED BY BEVERLY A. BROWN
SECRETARY/TREASURER OF
SONORA WATER COMPANY