

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____

OCT 20 2004

2003
ANNUAL REPORT
OF

TWIN VALLEY INC

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

P.O. Box 433

MORGAN Hill, CA 95038

(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	
460	Unmetered	
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	
640	Materials	
650	Contract Work	
	Water Testing	
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	
682	Professional Services	
684	Insurance	
688	Regulatory Expense	
689	General Expense	
	Subtotal	
403	Depreciation Expense	
	Ad Valorem Taxes	
	Payroll taxes	
408	Taxes other than income	
409	State Income Tax	
410	Federal Income Tax	
	Total Deductions	
	Net Revenue	
	Rate Base	

	Average Plant	
	Average Depreciation Reserve	
	Net Plant	
	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)

TWIN VALLEY INC

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

P.O. BOX 433

(Official mailing address)

MORGAN HILL CA 95038

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization 1974 incorporated in the State of CALIF
 - (B) Names, titles and addresses of principal officers:
Steve Havens, 14295 SYCAMORE DR, MORGAN HILL, CA 95037
- 2 If unincorporated give the name and address of owner or of each partner:
- 3 Name and telephone number of: Steve Havens (408) 776-0511
 - (A) One person listed above to receive correspondence:
 - (B) Person responsible for operations and services: Steve Havens
- 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		12/03
X		12/03
X		12/03
N/A		

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____

NAME OF UTILITY _____ PHONE _____

PERSON RESPONSIBLE FOR THIS REPORT _____

(Prepared from Information in the 2023 Annual Report)

	1/1/____	12/31/____	Average
BALANCE SHEET DATA			
1 Intangible Plant	_____	_____	_____
2 Land and Land Rights	_____	_____	_____
3 Depreciable Plant	_____	_____	_____
4 Gross Plant in Service	_____	_____	_____
5 Less: Accumulated Depreciation	_____	_____	_____
6 Net Water Plant in Service	_____	_____	_____
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	=====	=====	=====
CAPITALIZATION			
14 Common Stock	_____	_____	_____
15 Proprietary Capital (Individual or Partnership)	_____	_____	_____
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)	=====	=====	=====

(Revised 2/01)

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

20_____
(continued)

NAME OF UTILITY _____ PHONE _____

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

<u>Active Service Connections</u>		(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections		_____	_____	_____
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: BANK OF AMERICA
Address: 777 NE 1st, SAN JOSE, CA 95125
Phone Number: 408 983-0588
Date Hired: 4-1-95

2. Former Fiscal Agent:

Name: SAME AS ABOVE
Address: _____
Phone Number: _____
Date Hired: _____

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

\$ 14210

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

\$ 3055
13975
12762
145
4123

5. Account information:

Bank Name: SAME AS ABOVE
Account Number: _____
Date Opened: _____

6. Plant amounts included in Schedule A, Account No. 101--Water Plant in Service which were funded using SDWBA 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					

03

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 20

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	700759	201	Common Stock (Corporations only)	250000
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	254385
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	153623	224	Long term debt	340728
6	114	Water plant acquisition adjustments			Current Liabilities	7800
7	124	Other investments	27300	252	Advances for construction	135000
8	131	Cash	1250	253	Other deferred credits	50231
9	141	Accounts receivable - customers	2436	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	750		depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	162082
14				272	Accumulated amortization of contributions	
15		Total Assets	585322		Total Equity and Liabilities	585322

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant	2800				2800
17	303	Land	31080				31080
18	304	Structures	27779				27779
19	307	Wells	108339				108339
20	317	Other water source plant	93				93
21	311	Pumping equipment	79923	3082			83005
22	320	Water treatment plant	4173				4173
23	330	Reservoirs tanks and sandpipes	33934				33934
24	331	Water mains	322507	14100			336607
25	333	Services and meter installations	35323	2510			37833
26	334	Meters	9067	300			9567
27	335	Hydrants	10399	900			11299
28	339	Other equipment	8950				8950
29	340	Office furniture and equipment	3200				3200
30	341	Transportation equipment	9100				2100
31		Total water plant in service	679624	21135			700759

* 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	146273	6473	A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year			
34	(a) Charged to Account No. 403			
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	7350	3250	
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 depreciation.
43	(c) All other debits			
44	Total debits			
45	Balance in reserve at end of year	153623	9728	
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

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

Line	1	Common - (Shares 25000, \$ 100 par)	25000	List persons owning more than 5% of outstanding stock
	2	Preferred - (Shares, \$ par)		and number of shares owned by each:
	3	Dividends - Common Rate - \$		STONE HAVENS
	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	BANK OF AMERICA	2/99	OPEN	50000	50000	8%	4000	4000
6	STONE HAVENS	2/94+03	OPEN	38000	38000	8%	-	-
7								
8	Totals			88000	88000		4000	4000

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	113293
14	480 Other water revenue	2060
15	Total Operating Revenue	116353
16	Operating revenue deductions	XXXXXXXXXX
17	Operating expenses	XXXXXXXXXX
18	610 Purchased water	
19	615 Power	41645
20	618 Other volume related expenses	11522
21	630 Employee labor	9302
22	640 Materials	3443
23	650 Contract work	7081
24	660 Transportation expenses	3748
25	664 Other plant maintenance expense	10954
26	670 Office salaries	5203
27	671 Management salaries	4500
28	674 Employee pensions and benefits	1800
29	676 Uncollectible accounts expense	400
30	678 Office services and rentals	8460
31	681 Office supplies and expense	1550
32	682 Professional services	2000
33	684 Insurance	2083
34	688 Regulatory commission expense	1571
35	689 General expenses	72
36	Total Operating Expenses	113942
37	403 Depreciation expense	7500
38	407 SDWBA loan amortization expense	2250
39	408 Taxes other than income taxes	3702
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	-
42	Total Operating Revenue Deductions	122694
43	Utility Operating Income	6341
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	4000
47	Net Income	10341

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
WATSONVILLE	4	10	40	52	
SYCAMORE 3	3	10	40	35	
SYCAMORE	3	10	40	45	
Chapparral	5	10	40	25	
Sycamore Kelly	6	8	40	25	

OTHER

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

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS (If figures are available) (specify unit) CWT

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business			36000
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	1	9302	10,000	25000
49	670	Office salaries	1	5203	4000	9203
50	671	Management salaries	1	4500	1000	5000
51		Total				

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	13500
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	13500

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

Size	Meters	Services
5/8 x 3/4-in		
3/4-in	41	61
1-in	31	32
-in 1 1/2	3	7
-in 2	7	1
Total		

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1 Used, before repair...	86
2 Used, after repair	86
3 Fast, requiring refund ..	0
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	86		86	86			86	
Industrial								
Other (specify)								
Subtotal	86		86	86			86	
Fire protection (Hydrants)	7		7					
Total	93		93	93			93	

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	Pipe Sizes				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete			Cast Iron					
Earth			Welded steel					
Wood	1	33000	Standard screw					
Steel	1	66000	Cement-asbestos				25000	25458
Other			Plastic				3450	3400
			Other (specify)					
Total			Total				28150	29358

DECLARATION

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

I, the undersigned (officer, partner or owner) of TWIN VALLEY 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 JAN 1, 2003, to and including Dec 31, 2003

Signature: [Signature]
Title: President

Date: 3/10/04