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CLASS B and C
WATER UTILITIES

U# 206-W

2001
ANNUAL REPORT
OF

ALCO WATER SERVICE

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

249 WILLIAMS ROAD

SALINAS, CA 93905

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2001

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002
(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.

INSTRUCTIONS

FOR PREPARATION OF

SELECTED FINANCIAL DATA SHEET

FOR CLASS A, B, C AND D, WATER UTILITIES

To prepare the attached data sheets, refer to the Balance Sheet, Income Statement and supporting detail schedules in the annual report for the required data.

Please follow the instruction below:

1. Common plant allocated to water should be indicated with water plant figures in Net Plant Investment.
2. The capitalization section for those reporting on both California Only and Total System Forms should be identical and completed with Total Company Data. Be sure that Advances for Construction include California water data only.
3. Complete the operation section with California water revenues and expenses, but if necessary, remove interdepartmental revenues and expenses.
4. All other utility and nonutility revenues and expenses are netted on Line No. 38.

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2001

NAME OF UTILITY Alco Water Service PHONE 831-424-0441

PERSON RESPONSIBLE FOR THIS REPORT Marino A. Rodriguez
(Prepared from Information in the 2001 Annual Report)

	1/1/01	12/31/01	Average
BALANCE SHEET DATA			
1 Intangible Plant	15,325	20,325	17,825
2 Land and Land Rights	102,095	106,249	104,172
3 Depreciable Plant	17,259,457	18,400,312	17,829,884
4 Gross Plant in Service	17,376,877	18,526,886	17,951,881
5 Less: Accumulated Depreciation	(4,528,869)	(5,078,938)	(4,803,903)
6 Net Water Plant in Service	12,848,008	13,447,948	13,147,978
7 Water Plant Held for Future Use			
8 Construction Work in Progress	590,615	464,358	527,486
9 Materials and Supplies	4,668	552	2,610
10 Less: Advances for Construction	(2,890,680)	(2,836,882)	(2,863,781)
11 Less: Contribution in Aid of Construction	(5,055,051)	(5,085,063)	(5,070,057)
12 Less: Accumulated Deferred Income & Investment Tax Credits	(458,552)	(582,981)	(520,766)
13 Net Plant Investment	5,039,008	5,407,932	5,223,470
CAPITALIZATION			
14 Common Stock	89,063	89,063	89,063
15 Treasury Stock	(55,761)	(55,761)	(55,761)
16 Paid-in Capital	101,740	101,740	101,740
17 Retained Earnings	1,041,449	993,267	1,017,358
18 Common Stock and Equity (Lines 14 through 17)	1,176,491	1,128,309	1,152,400
19 Preferred Stock	0	0	
20 Long-Term Debt	860,247	716,147	788,197
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	2,036,738	1,844,456	1,940,597

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2001

NAME OF UTILITY Alco Water Service PHONE 831-424-0441

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	781
24 Fire Protection Revenue	11,375
25 Other Water Revenue	20,410
26 Metered Water Revenue	3,687,038
27 Total Operating Revenue	3,719,604
28 <u>Operating Expenses</u>	3,175,585
29 Depreciation Expense (Composite Rate <u>3.1%</u>)	364,753
30 Amortization and Property Losses	0
31 Property Taxes	65,782
32 Taxes Other Than Income Taxes	145,900
33 Total Operating Revenue Deduction Before Taxes	3,752,020
34 California Corp. Franchise Tax	2,400
35 Federal Corporate Income Tax	0
36 Total Operating Revenue Deduction After Taxes	3,754,420
37 Net Operating Income (Loss) - California Water Operations	(34,816)
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	59,746
39 Income Available for Fixed Charges	24,930
40 Interest Expense	119,951
41 Net Income (Loss) Before Dividends	(95,021)
42 Preferred Stock Dividends	0
43 Net Income (Loss) Available for Common Stock	(95,021)
Extraordinary Income (net of income taxes: \$0)	233,043
Extraordinary Loss (net of income taxes: \$0)	186,204
Net Income (loss)	(48,182)
OTHER DATA	
44 Refunds of Advances for Construction	53,978
45 Total Payroll Charged to Operating Expenses	720,085
46 Purchased Water	0
47 Power	504,641

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		8,034	8,506	8,270
49 Flat Rate Service Connections				
50 Total Active Service Connections		8,034	8,506	8,270

**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: _____
Address: _____
Phone Number: _____
Date Hired: _____

2. Former Fiscal Agent:

Name: _____ **N/A** _____
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: _____

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

6. Plant amounts included in Schedule A-1a, 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		N/A			
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					

GENERAL INFORMATION

1 Name under which utility is doing business: Alco Water Service

2 Official mailing address: 249 Williams Road Salinas, CA 93905-2897
ZIP 93905-2897

3 Name and title of person to whom correspondence should be addressed: Thomas R. Adcock
Telephone: 831-424-0441

4 Address where accounting records are maintained: 249 Williams Road Salinas, CA 93905

5 Service Area: (Refer to district reports if applicable.) East Salinas vicinity, North Monterey
County, and Moss Landing areas

6 Service Manager (if located in or near Service Area): (Refer to district reports if applicable.)
 Name: _____
 Address: _____ Telephone: _____

7 OWNERSHIP. Check and fill in appropriate line:

<input type="checkbox"/>	Individual (name of owner) _____
<input type="checkbox"/>	Partnership (name of partner) _____
<input type="checkbox"/>	Partnership (name of partner) _____
<input type="checkbox"/>	Partnership (name of partner) _____
<input checked="" type="checkbox"/>	Corporation (corporate name) <u>Alisal Water Corporation</u>

Organized under laws of (state) California

Principal Officers:

(Name)	Robert T. Adcock	(Title)	President
(Name)	Thomas R. Adcock	(Title)	Vice President
(Name)	Patricia Adcock	(Title)	Secretary
(Name)		(Title)	

8 Names of associated companies: Toro Water Service
California Utilities Service

9 Names of corporations, firms or individuals whose property or portion of property have been acquired during the year, together with date of each acquisition:

	Date:
	Date:
	Date:
	Date:

10 Use the space below for supplementary information or explanations concerning this report:
This report includes consolidated financial information of the three districts of Alco Water
Service: Alco-Salinas District, Normco District, and Moss Landing District.

SCHEDULE A
COMPARATIVE BALANCE SHEETS
Liabilities and Other Credits

Line No.	Acct. No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		CORPORATE CAPITAL AND SURPLUS			
2	201	Common stock	9	89,063	89,063
3	204	Treasury Stock	9	(55,761)	(55,761)
4	211	Other paid-in capital	9	101,740	101,740
5	215	Retained earnings	10	993,267	1,041,449
6		Total corporate capital and retained earnings		1,128,309	1,176,491
7		PROPRIETARY CAPITAL			
8	218	Proprietary capital	10		
9	218.1	Proprietary drawings			
10		Total proprietary capital			
11		LONG TERM DEBT			
12	224	Long term debt	11	716,147	860,247
13	225	Advances from Shareholders	12	172,000	
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		3,140,185	3,720,433
16	232	Short term notes payable		770,000	
17	233	Customer deposits		107,417	97,249
18	235	Payables to associated companies	12		
19	236	Accrued taxes		50,133	658,174
20	237	Accrued interest			
21	241	Other current liabilities	13	452,450	435,994
22		Total current and accrued liabilities		4,520,185	4,911,850
23		DEFERRED CREDITS			
24	252	Advances for construction	13	2,836,882	2,890,680
25	253	Other credits	8	547,071	394,231
26	255	Accumulated deferred investment tax credits	13	88,263	92,375
27	282	Accumulated deferred income taxes - ACRS depreciation	13	494,718	357,204
28	283	Accumulated deferred income taxes - other	13	0	8,973
29		Total deferred credits		3,966,934	3,743,463
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	14	6,216,419	5,994,389
32	272	Accumulated amortization of contributions		(1,131,356)	(939,338)
33		Net contributions in aid of construction		5,085,063	5,055,051
34		Total liabilities and other credits		15,588,638	15,747,102

**SCHEDULE A-1
UTILITY PLANT**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1	101	Water plant in service	17,376,877	1,180,571	2,000	(28,562)	18,526,886
2	103	Water plant held for future use					
3	104	Water plant purchased or sold	7,650	4,900			12,550
4	105	Construction work in progress - water plant	590,615	1,122,117	xxxxxxxxxxxx	(1,248,374)	464,358
5	114	Water plant acquisition adjustments	(34,719)		xxxxxxxxxxxx		(34,719)
6		Total utility plant	17,940,423	2,307,588	2,000	(1,276,936)	18,969,075

* Debit or credit entries should be explained by footnotes or supplementary schedules

Other credits: \$28,562 - Computer equipment and billing equipment allocated to Associated Companies (\$28,563) and Rounding \$1

Other credits: \$1,248,374 - CWIP capitalization under regular plant accounts

**SCHEDULE A-1a
Account No. 101 - Water Plant in Service**

Line No.	Acct No.	Title of Account (a)	Balance Beg of Year (b)	Plt Additions During year (c)	Plt Retirements During year (d)	Other Debits* or (Credits) (e)	Balance End of year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant	15,325	5,000			20,325
3	303	Land	102,095	4,154			106,249
4		Total non-depreciable plant	117,420	9,154			126,574
5		DEPRECIABLE PLANT					
6	304	Structures	475,559	136,632			612,191
7	307	Wells	682,198		2,000		680,198
8	317	Other water source plant		5,664			5,664
9	311	Pumping equipment	1,576,408	124,539			1,700,947
10	320	Water treatment plant	92,386	135,327			227,713
11	330	Reservoirs, tanks and sandpipes	837,211	103,820			941,031
12	331	Water mains	9,029,903	434,732		1	9,464,636
13	333	Services and meter installations	2,452,257	160,087			2,612,344
14	334	Meters	856,762	38,266			895,028
15	335	Hydrants	176,526				176,526
16	339	Other equipment	717,271	16,877			734,148
17	340	Office furniture and equipment	322,590	15,473		(28,563)	309,500
18	341	Transportation equipment	40,386				40,386
19		Total depreciabel plant	17,259,457	1,171,417	2,000	(28,562)	18,400,312
20		Total water plant in service	17,376,877	1,180,571	2,000	(28,562)	18,526,886

* Debit or credit entries should be explained by footnotes or supplementary schedules

Other Debits: \$1 Rounding

Other Credits: \$28,563 - Computer equipment and billing equipment allocated to Associated Companies

SCHEDULE A-1b
Account No. 103 - Water Plant Held for Future Use

Line No.	Description and Location of Property (a)	Date of Acquisition (b)	Approximate Date When Property will be placed in Service (c)	Balance End of Year (d)
1				
2				
3				
4	N/A			
5				
6				
7				
8				
9				
10	Total			

SCHEDULE A-2
Account No. 121 - Non-utility Property and Other Assets

Line No.	Name and Description of Property (a)	Book Value End of Year (b)
1	Land	24,342
2		
3		
4		
5		
6		
7		
8		
9		
10	Total	24,342

SCHEDULE A-3
Account Nos. 108 and 122 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 106 Water Plant (b)	Account 106.1 SDWBA Loans (c)	Account 122 Non-utility Property (d)
1	Balance in reserves at beginning of year	4,528,869		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	364,753		
4	(b) Charged to Account No 272	192,018		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	556,771		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	2,000		
11	(b) Cost of removal	1,260		
12	(c) All other debits (Footnote 3)	3,442		
13	Total debits	6,702		
14	Balance in reserve at end of year	5,078,938		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE 3.1%			
16				
17	(2) EXPLANATION OF ALL OTHER CREDITS:			
18				
19				
20				
21				
22				
23	(3) EXPLANATION OF ALL OTHER DEBITS:			
24	Accumulated depreciation on office equipment allocated to Associated Companies			
25				
26				
27				
28				
29	(4) METHOD USED TO COMPUTE INCOME TAX DEPRECIATION			
30	(a) Straight line	[]		
31	(b) Liberalized	[]		
32	(1) Sum of the years digits	[]		
33	(2) Double declining balance	[]		
34	(3) Other	[]		
35	(c) Both straight line and liberalized	[X]		

SCHEDULE A-3a

Account No. 108 - Analysis of Entries in Depreciation Reserve

Line No.	Acct No.	Depreciable Plant (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserve During Year Excl. Cost of Removal (d)	Salvage and Cost of Removal Net (Dr.) or (Cr.) (e)	Balance End of Year (f)
1	304	Structures	186,958	17,948			204,906
2	307	Wells	258,097	22,480	(2,000)	(1,260)	277,317
3	317	Other water source plant		113			113
4	311	Pumping equipment	635,678	63,716			699,394
5	320	Water treatment plant	40,021	10,669			50,690
6	330	Reservoirs, tanks and sandpipes	139,109	20,761			159,870
7	331	Water mains	1,607,788	184,945			1,792,733
8	333	Services and meter installations	621,164	73,436			694,600
9	334	Meters	303,187	34,698			337,885
10	335	Hydrants	44,757	4,664			49,421
11	339	Other equipment	548,105	86,068			634,173
12	340	Office furniture and equipment	133,020	29,196	(3,442)		158,774
13	341	Transportation equipment	10,985	8,077			19,062
14		Total	4,528,869	556,771	(5,442)	(1,260)	5,078,938

SCHEDULE A-4

Account No. 174 - Other Current Assets

Line No.	Item (a)	Amount (b)
1	Pre paid expenses	18,566
2	City of Salinas - Acacia Park Project	24,686
3	Advances to Employees	14,650
4	Department of Health Services	11,199
5	Deposits	9,440
6	Other	9,496
7		88,037
8		
9		
10		

SCHEDULE A-5
Accounts Nos. 180 and 253 - Unamortized debt discount and expense and unamortized premium on debt

- 1 Report under separate subheadings for Unamortized Debt Discount and Expense and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt.
- 2 Show premium amounts in red or by enclosure in parentheses.
- 3 In column (b) show the principal amount of bonds or other long-term debt originally issued.
- 4 In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
- 5 Furnish particulars regarding the treatment of unauthorized debt discount and expense or premium, redemption premiums, and redemption expenses associated with issues redeemed during the year.
- 6 Set out separately and identify undisposed amounts applicable to issues which were redeemed in prior years.
- also, date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Designation of long-term debt (a)	Principal amount of securities to which discount and expense, or premium minus expense, relates (b)	Total discount and expense or net premium (c)	AMORTIZATION PERIOD		Balance beginning of year (f)	Debits during year (g)	Credits during year (h)	Balance end of year (i)
				From -- (d)	To -- (e)				
1									
2									
3									
4									
5									
6									
7									
8									
9									
10					N/A				
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									

SCHEDULE A-6
Account Nos. 201 and 204 - Capital Stock

Line No.	Class of Stock (a)	Date of Issue (b)	Number of Shares Authorized by Articles of Incorporation (c)	Par or Stated Value (d)	Number of Shares Outstanding (e)	Amount Outstanding End of Year (f)	Dividends Declared During Year	
							Rate (g)	Amount (h)
1	Common		11,250	No Par	11,250	89,063		
2								
3								
4								
5								
6							Total	

SCHEDULE A-7
Record of Stockholders at End of Year

Line No.	COMMON STOCK		PREFERRED STOCK	
	Name (a)	Number of Shares (b)	Name (c)	Number of Shares (d)
1	Robert T. Adcock	7,900		
2	ESOT	1,677		
3	Alco Water - Treasury Stock	1,673		
4				
5				
6				
7	Total number of shares	11,250	Total number of shares	

SCHEDULE A-8
Account No. 211 - Other Paid in Capital (Corporations only)

Line No.	Type of Paid in Capital (a)	Balance End of Year (b)
1	Normco Division	101,740
2		
3		
4	Total	101,740

SCHEDULE A-9
Account No. 215 - Retained Earnings
(Corporations Only)

Line No	Item (a)	Amount (b)
1	Balance beginning of year	1,041,449
2	CREDITS	
3	Net income	
4	Prior period adjustments	
5	Other credits (detail)	
6	Total credits	
7		
8	DEBITS	
9	Net losses	48,182
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock stock	
13	Other debits (detail)	
14	Total debits	48,182
15	Balance end of year	993,267

SCHEDULE A-10
Account No. 218 - Proprietary Capital
(Sole Proprietor or Partnership)

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	
2	CREDITS	
3	Net income	
4	Additional investments during year	
5	Other credits (detail)	
6	N/A Total credits	
7	DEBITS	
8	Net losses	
9	Withdrawals during year	
10	Other debits (detail)	
11	Total debits	
12	Balance end of year	

SCHEDULE A-11
Account No. 224 - Long Term Debt

Line No.	Class (a)	Name of Issue (b)	Date of Issue (c)	Date of Maturity (d)	Principal Amount Authorized (e)	Outstanding Per Balance Sheet (f)	Rate of Interest (g)	Interest Accrued During Year (h)	Sinking Fund (i)	Interest Paid During Year (j)
1										
2										
3					See Attachment 1					
4										
5										
6										

SCHEDULE A-12
Account No. 225 - Advances from Associated Companies

Line No.	Nature of Obligation (a)	Amount of Obligation (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2		N/A			
3					
4	Totals				

Schedule A-13
Account No. 235 - Payables to Associated Companies

Line No.	Nature of Obligation (a)	Balance End of Year (b)	Interest Rate (c)	Interest Accrued During Year (d)	Interest Paid During Year (e)
1					
2		N/A			
3					
4	Totals				

SCHEDULE A-14
Account No. 241 - Other Current Liabilities

Line No.	Description (a)	Balance End of Year (b)
1	ESOT	160,082
2	Other	292,368
3		
4		
5	Totals	452,450

SCHEDULE A-15
Account No. 252 - Advances for Construction

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	xxxxxxxxxxxxxxxx	2,890,680
2	Additions during year	xxxxxxxxxxxxxxxx	
3	Subtotal - Beginning balance plus additions during year	xxxxxxxxxxxxxxxx	
4	Charges during year:	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
5	Refunds	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
6	Percentage of revenue basis	27,193	xxxxxxxxxxxxxxxx
7	Proportionate cost basis	26,605	xxxxxxxxxxxxxxxx
8	Present worth basis		xxxxxxxxxxxxxxxx
9	Total refunds	53,798	xxxxxxxxxxxxxxxx
10	Transfers to Acct. 271, Contributions in aid of Construction	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx
11	Due to expiration of contracts		xxxxxxxxxxxxxxxx
12	Due to present worth discount		xxxxxxxxxxxxxxxx
13	Total transfers to Acct. 271		xxxxxxxxxxxxxxxx
14	Securities Exchanged for Contracts (Enter detail below)		xxxxxxxxxxxxxxxx
15	Subtotal - charges during year	0	53,798
16	Balance end of year	xxxxxxxxxxxxxxxx	2,836,882

SCHEDULE A-16
Account Nos. 255, 282, and 283 - Deferred Taxes

Line No.	Item (a)	Account 255 Investment Tax Credit (b)	Account 282 Income Tax - ACRS Depreciation (c)	Account 283 - Other (d)
1	Accumulated deferred investment tax credit	88,263	494,718	
2	Accumulated deferred income taxes			
3				
4				
5	Totals	88,263	494,718	

SCHEDULE A-17

Account No. 271 - Contributions in Aid of Construction

Instructions for Preparation of Schedule of Contributions in Aid of Construction

- 1 The credit balance in the account other than that portion of the balance relating to nondepreciable property (column d), to property retired prior to January 1, 1955 (column e), shall be written off through charges to this account and credits to Account No. 106, Accumulated depreciation of water plant, over a period equal to the estimated service life of the property involved. Upon retirement of depreciable property for which a depreciation reserve has been created through charges to this account, the cost thereof shall be credited to the appropriate plant account and concurrently charged to Account No. 106. If the property is retired prior to the service life originally estimated, the balance in this account with respect to the retired property shall be transferred to the depreciation reserve account.

- 2 That portion of the balance applicable to nondepreciable property shall remain unchanged until the property is sold or otherwise retired. Upon retirement, the cost of such nondepreciable property acquired by donation or through use of donated funds shall be credited to the appropriate plant account and charged to this account to clear the credit balance carried herein.

- 3 That portion of the balance representing donations on property retired prior to January 1, 1955 (column e), and the amount of depreciation accrued to January 1, 1955, on property in service (column f), shall not be transferred from this account or otherwise disposed of without first receiving written authorization from the Commission.

Line No.	Item (a)	Total All Columns (b)	Subject to Amortization		Not Subject to Amortization	
			Property in Service After Dec. 31, 1954		Property Retired Before Jan. 1, 1955 ² (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 ³ (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year	5,055,051				
2	Add: Credits to account during year					
3	Contributions received during year	222,030				
4	Other credits*					
5	Total credits	222,030				
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	192,018				
8	Nondepreciable donated property retired					
9	Other debits*					
10	Total debits	192,018				
11	Balance end of year	5,085,063				

* Indicate nature of these items and show the accounts affected by the contra entries

SCHEDULE B-1
Account No. 400 - Operating Revenues

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceeding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		WATER SERVICE REVENUES			
2	460	Unmetered water revenue			
3		460.1 Single - family residential	781	1,548	(767)
4		460.2 Commercial and multi-residential			
5		460.3 Large water users			
6		460.5 Safe Drinking Water Bond Surcharge			
7		460.9 Other unmetered revenue			
8		Sub-total	781	1,548	(767)
9	462	Fire protection revenue			
10		462.1 Public fire protection	11,375	7,345	4,030
11		462.2 Private fire protection			
12		Sub-total	11,375	7,345	4,030
13	465	Irrigation revenue			
14	470	Metered water revenue			
15		470.1 Single-family residential	3,687,038	3,424,018	263,020
16		470.2 Commercial and multi-residential			
17		470.3 Large water users			
18		470.5 Safe Drinking Water Bond Surcharge			
19		470.9 Other metered revenue			
20		Sub-total	3,687,038	3,424,018	263,020
21		Total water service revenues	3,699,194	3,432,911	266,283
22	480	Other water revenue	20,410	7,975	12,435
23		Total operating revenues	3,719,604	3,440,886	278,718

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceeding Year (c)	Net Change During Year Show Decrease in [Brackets] (d)
1		PLANT OPERATION AND MAINTENANCE EXPENSES			
2		VOLUME RELATED EXPENSES			
3	610	Purchased water			
4	615	Power	504,641	394,849	109,792
5	616	Other volume related expenses	9,671	9,570	101
6		Total volume related expenses	514,312	404,419	109,893
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor	324,473	304,391	20,082
9	640	Materials	71,640	63,136	8,504
10	650	Contract work	24,508	41,148	(16,640)
11	660	Transportation expenses	185,732	174,013	11,719
12	664	Other plant maintenance expenses	41,449	34,104	7,345
13		Total non-volume related expenses	647,802	616,792	31,010
14		Total plant operation and maintenance exp.	1,162,114	1,021,211	140,903
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	222,486	228,007	(5,521)
17	671	Management salaries and fees	173,126	176,924	(3,798)
18	674	Employee pensions and benefits	172,294	122,614	49,680
19	676	Uncollectible accounts expense		10,078	(10,078)
20	678	Office services and rentals	68,661	74,183	(5,522)
21	681	Office supplies and expenses	100,027	78,544	21,483
22	682	Professional services	1,174,444	564,729	609,715
23	684	Insurance	48,779	31,150	17,629
24	688	Regulatory commission expense	212	1,040	(828)
25	689	General expenses	53,442	51,971	1,471
26		Total administrative and general expenses	2,013,471	1,339,240	674,231
27	800	Expenses capitalized			
28		Net administrative and general expense	2,013,471	1,339,240	674,231
29		Total operating expenses	3,175,585	2,360,451	815,134

SCHEDULE B-3

Account No. 408, 409, 410 - Taxes Charged During the Year

Line No.	Type of Tax (a)	Total Taxes Charged During Year (b)	Distribution of Taxes Charged	
			Water (c)	Nonutility (d)
1	Taxes on real and personal property	65,782	65,782	
2	State corporate franchise tax	2,400	2,400	
3	State unemployment insurance tax	2,850	2,850	
4	Other state and local taxes	96,546	96,546	
5	Federal unemployment insurance tax	1,004	1,004	
6	Federal insurance contributions act	45,500	45,500	
7	Other federal taxes			
8	Federal income taxes			
9				
10				
11	Totals	214,082	214,082	

SCHEDULE B-4

Reconciliation of Reported Net Income for Federal Income Taxes

1 Report hereunder a reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount.

2 If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, inter-company amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

3 Show taxable year if other than calendar year from _____ to _____.

Line No.	Particulars (a)	Amount (b)
1	Net income for the year per Schedule B, page 4	
2	Reconciling amounts (list first additional income and unallowable deductions,	
3	followed by additional deductions and non-taxable income):	
4		
5		
6	SEE ATTACHMENT 2	
7		
8		
9		
10	Federal tax net income	
11	Computation of tax:	
12		
13		
14		
15		
16		
17		

SCHEDULE B-5
Account No. 421 and 426 - Income from Nonutility Operations

Line No.	Description (a)	Revenues Acct. 421 (b)	Expenses Acct. 426 (c)
1	Dividend income	221	
2	Deferred Revenue - CIAC	3,107	
3	Reimbursed Expenses	13,965	
4	Other income	42,453	
5	Total	59,746	

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Interest Expense on Long Term Debt	84,399
2	Interest Expense on Short Term Debt	35,552
3		
4		
5		
6		
7		
8		
9		
10	Total	119,951

SCHEDULE C-1
Compensation of Individual Proprietor, Partners and Employees Included in Expenses

Line No.	Acct. No.	Account (a)	Number at End of Year (b)	Salaries Charged to Expense (c)	Salaries Charged to Plant Accounts (d)	Total Salaries and Wages Paid (e)
1	630	Employee Labor	16	324,473	252,133	576,606
2	670	Office salaries	8	222,486		222,486
3	671	Management salaries and fees	3	173,126	15,012	188,138
4						
5						
6		Total	27	720,085	267,145	987,230

SCHEDULE C-2
Loans to Directors, Officers, or Shareholders

Line No.	Name (a)	Title (b)	Amount (c)	Interest Rate (d)	Maturity Date (e)	Security Given (f)	Date of Shareholder Authorization (g)	Other Information (h)
1								
2								
3				N/A				
4								
5								
6								
7	Total							

SCHEDULE C-3
Engineering and Management Fees and Expenses, Etc., During Year

Line No.	Give the required particulars of all contracts or other agreements in effect in the course of the year between the respondent and any corporation, association, partnership, or person covering supervision and/or management of any department of the respondent's affairs, such as accounting, engineering, financing, construction or operation, and show the payments under such agreements and also the payments for advice and services to a corporation or corporations which directly or indirectly control respondent through stock ownership.	
1	1. Did the respondent have a contract or other agreement with any organization or person covering supervision	
2	and/or management of its own affairs during the year? Answer: (Yes or No)	
3	(If the answer is in the affirmative, make appropriate replies to the following questions)*	
4	2. Name of each organization or person that was a party to such a contract or agreement.	
5		
6	3. Date of original contract or agreement.	
7	4. Date of each supplement or agreement.	
8	5. Amount of compensation paid during the year for supervision or management \$	
9	6. To whom paid	
10	7. Nature of payment (salary, traveling expenses, etc.).	
11	8. Amounts paid for each class of service.	
12		
13	9. Basis for determination of such amounts	
14		
15	10. Distribution of payments: Amount	
16	(a) Charged to operating expenses	\$
17	(b) Charged to capital amounts	\$
18	(c) Charged to other account	\$
19	Total	\$
20	11. Distribution of charges to operating expenses by primary accounts	
21	Number and Title of Account	Amount
22		\$
23		\$
24		\$
25	Total	\$
26	12. What relationship, if any, exists between respondent and supervisory and/or managing concerns?	
27		
* File with this report a copy of every contract, agreement, supplement or amendment mentioned above unless a copy of the instrument in due form has been furnished, in which case a definite reference to the report of the respondent relative to which it was furnished will suffice.		

SCHEDULE D-1
Sources of Supply and Water Developed

STREAMS					FLOW IN (Unit) 2		Annual Quantities Diverted (Unit) 2	Remarks
Line No.	Diverted Into *	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions		
				Claim	Capacity	Max.	Min.	
1								
2								
3								
4								
5								
WELLS						Pumping Capacity (Unit) 2	Annual Quantities Pumped (Unit) 2	Remarks
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	1 Depth to Water			
6								
7								
8	SEE ATTACHMENT 3							
9								
10								
TUNNELS AND SPRINGS				FLOW IN (Unit) 2		Annual Quantities Pumped (Unit) 2	Remarks	
Line No.	Designation	Location	Number	Maximum	Minimum			
11								
12								
13								
14								
15								
Purchased Water for Resale								
16	Purchased from							
17	Annual Quantities purchased						(Unit chosen) 1	
18								
19								
* State ditch pipeline reservoir, etc., with name, if any. 1 Average depth to water surface below ground surface 2 The quantity unit in established use for experiencing water stored and used in large amounts is the acre foot, which equals 43,560 cubic feet; in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second. In gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.								

SCHEDULE D-2
Description of Storage Facilities

Line No	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			
2	Concrete			
3	Earth			
4	Wood			
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal	22	549,000	
12	Concrete	8	430,000	
13	Totals	30	979,000	

SCHEDULE D-3
Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES

Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____

Line No.		0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume								
3	Lined conduit								
4									
5	Totals								

A. LENGTH OF DITCHES, FLUMES AND LINKED CONDUITS IN MILES FOR VARIOUS CAPACITIES - Concluded

Capacities in Cubic Feet Per Second or Miner's Inches (state which) _____

Line No.		101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								
7	Flume								
8	Lines conduit								
9									
10	Totals								

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING

Line No.		1	1 1/2	2	2 1/2	3	4	5	6	8
11	Cast Iron									
12	Cast iron (cement lined)									
13	Concrete									
14	Copper									
15	Riveted steel									
16	Standard screw									
17	Screw or welded casing									
18	Cement - asbestos			1,075		35,782	75,994	450	55,074	29,605
19	Welded steel								30	290
20	Wood									
21	Other (specify) - Plastic	6,288		322		2,220	19,467		86,888	51,242
22	Totals	6,288		1,397	0	38,002	95,461	450	141,992	81,137

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - Concluded

Line No.		10	12	14	16	18	20	Other Sizes (Specify Sizes)		Total All Sizes
								15	24	
23	Cast Iron									
24	Cast iron (cement lined)									
25	Concrete									
26	Copper									
27	Riveted steel									
28	Standard screw									
29	Screw or welded casing									
30	Cement - asbestos	2,540	16,033							216,553
31	Welded steel	30	90							440
32	Wood									
33	Other (specify) - Plastic	2,124	52,609		10,730	80	20	40	2,182	234,212
34	Totals	4,694	68,732		10,730	80	20	40	2,182	451,205

SCHEDULE D-4
Number of Active Service Connections

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior	Current	Prior	Current
	Year	Year	Year	Year
Single family residential	8,034	8,506		
Commercial and Multi-residential				
Large water users				
Public authorities				
Irrigation	33	33		
Other (specify)				
Subtotal	8,067	8,539		
Private fire connections	19	19		
Public fire hydrants				
Total	8,086	8,558		

SCHEDULE D-5
Number of Meters and Services on
Pipe Systems at End of Year

Size	Meters	Services
5/8 x 3/4 - in	1,338	xxxxxxxxxxxx
3/4 - in	2,900	
1 - in	3,008	
1-1/2 - in	1,041	
2 - in	168	
3 - in	33	
4 - in	13	
6 - in	4	
8 - in	1	
Total	8,506	

SCHEDULE D-6
Meter Testing Data

A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:	
1. New, after being received	0
2. Used, before repair	10
3. Used, after repair	0
4. Found fast, requiring billing adjustment	2
B. Number of Meters in Service Since Last Test	
1. Ten years or less	
2. More than 10, but less than 15 years	
3. More than 15 years	

SCHEDULE D-7
Water delivered to Metered Customers by Months and Years in _____ (Unit Chosen):

Classification of Service	During Current Year							Subtotal	
	January	February	March	April	May	June	July		
Single-family residential	138,461	125,339	118,871	155,817	178,387	236,367	231,633	1,184,875	
Commercial and Multi-residential									
Large water users									
Public authorities									
Irrigation									
Other (specify)									
Total	138,461	125,339	118,871	155,817	178,387	236,367	231,633	1,184,875	
Classification of Service	During Current Year						Subtotal	Total	Total Prior Year
	August	September	October	November	December				
Single-family residential	239,471	222,783	205,278	177,942	137,028	982,502	2,167,377	2,081,835	
Commercial and Multi-residential									
Large water users									
Public authorities									
Irrigation									
Other (specify)									
Total	239,471	222,783	205,278	177,942	137,028	982,502	2,167,377	2,081,835	

¹ Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated _____

Total population served 28,070 approx.

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ALISAL WATER CORPORATION
 2001 Annual Report-Long Term Debt Schedule
 Page 11, Schedule A-11, Account #224

(A) Description	(B) Date Of Issue	(C) Date Of Maturity	(D) Principal Amount	(E) Outstanding Balance	(F) Rate Of Interest	(G) Interest Accrued One Year	(H) Interest Paid One Year
Joanne A. Schmidt	5-85	01-2000	9,700	0	12.0	0	0
Money Store Corp. (First Union)	04-94	04-2009	415,000	283,168	(var)	30,589	30,589
Money Store (First Union)	06-92	05-2006	600,000	291,512	(var)	33,808	33,808
R. T. Adcock (Advances)	(var)	demand	210,000	107,699	12.0	11,489	11,489
Debis Finance Ser. (Capital Lease)	10-94	10-2001	322,431	0	09.0	2,146	2,146
Textron Credit (Capital Lease)	11-97	10-2000	60,525	0	9.1	0	0
NTPC (Capital Lease)	9-98	8-2003	18,569	7,543	13.4	1,288	1,288
Ford Motor Credit	5-98	7-2002	11,196	2,638	14.0	471	471
Conseco Financial (Capital Lease)	2-00	12-2004	33,802	23,587	14.1	3,798	3,798
Total				<u>716,147</u>		<u>83,589</u>	<u>83,589</u>

ALCO WATER SERVICE2001 ANNUAL REPORTSCHEDULE B-4ATTACHMENT 2

Reconciliation of reported net income with taxable net income as if a separate return were to be filed.

Net Book Income for the Year Per Schedule B Page 15, \$ (48,182)

PLUS:

Income Tax Expense	0
Book Depreciation	364,753
Other	<u>38,952</u>

Subtotal \$ 355,523

Minus:

Tax Depreciation (Approx.)	\$ 595,201
Other Deductions	<u>236,416</u>
Taxable Income before NOL	<u>\$ (476,094)</u>

MEMBERS OF CONSOLIDATED TAX GROUP:

ALCO WATER SERVICE
 TORO WATER SERVICE
 CALIFORNIA UTILITIES SERVICE

**ANNUAL REPORT
ALCO WATER SERVICE
WELLS SCHEDULE D-41**

NUMBER	WELL	DIAMETER	DEPTH TO WELL	GPM
1	Alma Street	16"	154'	400
3	Bardin	14"	112'	NA
8	Laurel Heights	18"	131'	500
9	E. Laurel (County)	14"	124'	2200
11	San Jerardo 2	12"	209'	100
12	San Jerardo 3	10"	209'	172
13	Wildwood 1	8"	410'	52
14	Wildwood 2	10"	410'	35
15	Pine Canyon	16"/12"	136'	153
16	Blackie Road	10"	216'	53
17	Valle Pacifico 1	6"	310'	3
18	Valle Pacifico 2	8"	310'	25
19	Alisal High	16"	184'	2200
20	Berta Canyon	12"	211'	500
21	Holly Hills (Coker Road)	8"	219'	35
22	Manzanita	12"	205'	350
23	Moss Landing	12"	122'	579
24	Las Casitas	16"	131'	2200
25	Santana	16"	135'	1080
26	Boronda	16"	176'	1500
27	Vierra Canyon	8"	266'	83
28	Matterhorn Place	6"	266'	35
29	Via Guiseppe	8"	260'	NA
30	Nogal Drive	16"	190'	1800

NA indicates "not operating"