

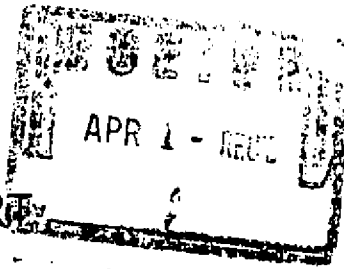
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Received _____
Examined _____

CLASS B and C
WATER UTILITIES

U# _____

2002
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, 2002

REPORT MUST BE FILED NDT LATER THAN MARCH 31, 2003
(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 calander year, from Janauary 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
2002

NAME OF UTILITY Alco Water Service

PHONE (831) 424-0441

PERSON RESPONSIBLE FOR THIS REPORT _____

Marino A. Rodriguez

(Prepared from Information in the 2002 Annual Report)

	1/1/02	12/31/02	Average
BALANCE SHEET DATA			
1 Intangible Plant	20,325	20,325	20,325
2 Land and Land Rights	106,249	112,046	109,148
3 Depreciable Plant	18,400,312	19,374,561	18,887,436
4 Gross Plant in Service	18,526,886	19,506,932	19,016,909
5 Less: Accumulated Depreciation	(5,078,938)	(5,663,523)	(5,371,231)
6 Net Water Plant in Service	13,447,948	13,843,409	13,645,678
7 Water Plant Held for Future Use			
8 Construction Work in Progress	464,358	523,778	494,068
9 Materials and Supplies	552	30	291
10 Less: Advances for Construction	(2,836,882)	(2,861,249)	(2,849,066)
11 Less: Contribution in Aid of Construction	(5,085,063)	(5,369,146)	(5,227,104)
12 Less: Accumulated Deferred Income and Investment Tax Credits	(582,981)	(568,861)	(575,921)
13 Net Plant Investment	5,407,932	5,567,961	5,487,946
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	993,267	893,172	943,220
18 Common Stock and Equity (Lines 14 through 17)	1,128,309	1,028,214	1,078,262
19 Preferred Stock			
20 Long-Term Debt	716,147	608,087	662,117
21 Notes Payable	770,000	770,000	770,000
22 Total Capitalization (Lines 18 through 21)	2,614,456	2,406,301	2,510,379

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2002

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

	Annual Amount
INCOME STATEMENT	
23 Unmetered Water Revenue	1,658
24 Fire Protection Revenue	11,921
25 Irrigation Revenue	166,609
26 Metered Water Revenue	3,819,469
Other Water Revenue	14,654
27 Total Operating Revenue	4,014,311
28 <u>Operating Expenses</u>	3,209,382
29 Depreciation Expense (Composite Rate <u>3.1%</u>)	389,501
30 Amortization and Property Losses	
31 Property Taxes	69,234
32 Taxes Other Than Income Taxes	168,691
33 Total Operating Revenue Deduction Before Taxes	3,836,808
34 California Corp. Franchise Tax	7,778
35 Federal Corporate Income Tax	10,795
36 Total Operating Revenue Deduction After Taxes	3,855,381
37 Net Operating Income (Loss) - California Water Operations	158,930
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	80,891
39 Income Available for Fixed Charges	239,821
40 Interest Expense	153,712
41 Net Income (Loss) Before Dividends	86,109
42 Preferred Stock Dividends	0
43 Net Income (Loss) Available for Common Stock	86,109
Extraordinary losses	186,204
Net income (loss)	(100,095)
OTHER DATA	
44 Refunds of Advances for Construction	57,513
45 Total Payroll Charged to Operating Expenses	781,163
46 Purchased Water	
47 Power	650,944

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		8,506	8,481	8,494
49 Flat Rate Service Connections		33	33	33
50 Total Active Service Connections		8,539	8,514	8,527

**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:

N/A

Name: _____
Address: _____
Phone Number: _____
Date Hired: _____

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

\$ _____

4. Summary of the trust bank account activities showing:

Balance at beginning of year	\$ _____
Deposits during the year	_____
Withdrawals made for loan payments	_____
Other withdrawals from this account	_____
Balance at end of year	_____

5. Account information:

Bank Name: _____
Account Number: _____
Date Opened: _____

**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					
9	311	Pumping equipment		N/A			
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 _____

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

4 Address where accounting records are maintained:
249 Williams Road Salinas, CA 93905-2897

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:
 Individual (name of owner) _____
 Partnership (name of partner) _____
 Partnership (name of partner) _____
 Partnership (name of partner) _____
 Corporation (corporate name) Alisal Water Corporation
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
Assets and other Debits**

Line No.	Acct. No.	Title of Account (a)	Schedule Page No. (b)	Balance End-of-Year (c)	Balance Beginning of Year (d)
1		UTILITY PLANT			
2	101	Water plant in service	4	19,506,932	18,526,886
3	103	Water plant held for future use	5		
4	104	Water plant purchased or sold		12,550	12,550
5	105	Water plant construction work in progress		523,778	464,358
6		Total utility plant		20,043,260	19,003,794
7	106	Accumulated depreciation of water plant	6	(5,663,523)	(5,078,938)
8	114	Water plant acquisition adjustments		(34,719)	(34,719)
9		Total amortization and adjustments			
10		Net utility plant		14,345,018	13,890,137
11		INVESTMENTS			
12	121	Non-utility property and other assets	5	24,342	24,342
13	122	Accumulated depreciation of non-utility property	6		
14		Net non-utility property		24,342	24,342
15	123	Investments in associated companies		102	102
16	124	Other investments			
17		Total investments		24,444	24,444
18		CURRENT AND ACCRUED ASSETS			
19	131	Cash		6,166	6,051
20	132	Special accounts			
21	141	Accounts receivable - customers		243,875	214,855
22	142	Receivables from associated companies		468,178	787,850
23	143	Accumulated provision for uncollectible accounts		(11,066)	(11,066)
24	151	Materials and supplies		30	552
25	174	Other current assets	7	90,868	88,037
26		Total current and accrued assets		798,051	1,086,279
27	180	Deferred charges	8	754,813	587,778
28		Total assets and deferred charges		15,922,326	15,588,638

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	893,172	993,267
6		Total corporate capital and retained earnings		1,028,214	1,128,309
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	608,087	716,147
13	225	Advances from shareholders	12	172,000	172,000
14		CURRENT AND ACCRUED LIABILITIES			
15	231	Accounts payable		3,488,706	3,140,185
16	232	Short term notes payable		770,000	770,000
17	233	Customer deposits		90,356	107,417
18	235	Payables to associated companies	12		
19	236	Accrued taxes		45,999	50,133
20	237	Accrued interest			
21	241	Other current liabilities	13	377,082	452,450
22		Total current and accrued liabilities		4,772,143	4,520,185
23		DEFERRED CREDITS			
24	252	Advances for construction	13	2,861,249	2,836,882
25	253	Other credits	8	542,626	547,071
26	255	Accumulated deferred investment tax credits	13	84,151	88,263
27	282	Accumulated deferred income taxes - ACRS depreciation	13	484,710	494,718
28	283	Accumulated deferred income taxes - other	13		
29		Total deferred credits		3,972,736	3,966,934
30		CONTRIBUTIONS IN AID OF CONSTRUCTION			
31	271	Contributions in aid of construction	14	6,703,276	6,216,419
32	272	Accumulated amortization of contributions		(1,334,130)	(1,131,356)
33		Net contributions in aid of construction		5,369,146	5,085,063
34		Total liabilities and other credits		15,922,326	15,588,638

**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	18,526,886	986,047	(6,000)	(1)	19,506,932
2	103	Water plant held for future use					0
3	104	Water plant purchased or sold	12,550				12,550
4	105	Construction work in progress - water plant	464,358	59,420	XXXXXXXXXXXX		523,778
5	114	Water plant acquisition adjustments	(34,719)		XXXXXXXXXXXX		(34,719)
6		Total utility plant	18,969,075	1,045,467	(6,000)	(1)	20,008,541

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

**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	20,325				20,325
3	303	Land	106,249	5,797			112,046
4		Total non-depreciable plant	126,574	5,797			132,371
5		DEPRECIABLE PLANT					
6	304	Structures	612,191	67,249			679,440
7	307	Wells	680,198				680,198
8	317	Other water source plant	5,664	6,216			11,880
9	311	Pumping equipment	1,700,947	112,279			1,813,226
10	320	Water treatment plant	227,713	118,851			346,564
11	330	Reservoirs, tanks and sandpipes	941,031	40,402			981,433
12	331	Water mains	9,464,636	313,576		(1)	9,778,211
13	333	Services and meter installations	2,612,344	225,073			2,837,417
14	334	Meters	895,028	59,804	(6,000)		948,832
15	335	Hydrants	176,526	10,000			186,526
16	339	Other equipment	734,148	15,405			749,553
17	340	Office furniture and equipment	309,500	9,148			318,648
18	341	Transportation equipment	40,386	2,247			42,633
19		Total depreciable plant	18,400,312	980,250	(6,000)	(1)	19,374,561
20		Total water plant in service	18,526,886	986,047	(6,000)	(1)	19,506,932

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

* Other Credits: \$1, Rounding

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				
5	N/A			
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	5,078,938		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	389,501		
4	(b) Charged to Account No 272	202,774		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	592,275		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	(6,000)		
11	(b) Cost of removal	(1,690)		
12	(c) All other debits (Footnote 3)			
13	Total debits	(7,690)		
14	Balance in reserve at end of year	5,663,523		
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				
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	204,906	21,312			226,218
2	307	Wells	277,317	22,447		(1,690)	298,074
3	317	Other water source plant	113	351			464
4	311	Pumping equipment	699,394	68,348			767,742
5	320	Water treatment plant	50,690	19,179			69,869
6	330	Reservoirs, tanks and sandpipes	159,870	22,473			182,343
7	331	Water mains	1,792,733	192,428			1,985,161
8	333	Services and meter installations	694,600	79,021			773,621
9	334	Meters	337,885	36,521	(6,000)		368,406
10	335	Hydrants	49,421	4,789			54,210
11	339	Other equipment	634,173	88,085			722,258
12	340	Office furniture and equipment	158,774	29,019			187,793
13	341	Transportation equipment	19,062	8,302			27,364
14		Total	5,078,938	592,275	(6,000)	(1,690)	5,663,523

SCHEDULE A-4
Account No. 174 - Other Current Assets

Line No.	Item (a)	Amount (b)
1	Pre-paid expenses	23,567
2	Advances to employees	13,749
3	Department of Health Services	11,199
4	Deposits	10,406
5	Other	31,947
6		
7		
8		
9		
10	Total	90,868

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 unamortized 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 Commissioner'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									
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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	993,267
2	CREDITS	
3	Net income	
4	Prior period adjustments	
5	Other credits (detail)	
6	Total credits	
7		
8	DEBITS	
9	Net losses	(100,095)
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total debits	(100,095)
15	Balance end of year	893,172

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	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	Pension and 401k	150,288
2	Other	226,794
3		
4		
5	Totals	377,082

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

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	XXXXXXXXXXXXXXXX	2,836,882
2	Additions during year	XXXXXXXXXXXXXXXX	81,880
3	Subtotal - Beginning balance plus additions during year	XXXXXXXXXXXXXXXX	2,918,762
4	Charges during year:	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
5	Refunds	XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXX
6	Percentage of revenue basis	14,034	XXXXXXXXXXXXXXXX
7	Proportionate cost basis	43,478	XXXXXXXXXXXXXXXX
8	Rounding	1	XXXXXXXXXXXXXXXX
9	Total refunds	57,513	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		57,513
16	Balance end of year	XXXXXXXXXXXXXXXX	2,861,249

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	84,151		
2	Accumulated Deferred Income Taxes		484,710	
3				
4				
5	Totals	84,151	484,710	

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 (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year	5,085,063	5,085,063			
2	Add: Credits to account during year					
3	Contributions received during year	486,857	486,857			
4	Other credits*					
5	Total credits	486,857	486,857			
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	202,774	202,774			
8	Nondepreciable donated property retired					
9	Other debits*					
10	Total debits	202,774	202,774			
11	Balance end of year	5,369,146	5,369,146			

* 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 Preceding 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	1,658	781	877
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	1,658	781	877
9	462	Fire protection revenue			
10	462.1	Public fire protection	11,921	11,375	546
11	462.2	Private fire protection			
12		Sub-total	11,921	11,375	546
13	465	Irrigation revenue			
14	470	Metered water revenue			
15	470.1	Single-family residential	2,949,095	3,687,038	(737,943)
16	470.2	Commercial and multi-residential	758,414		758,414
17	470.3	Large water users			
18	470.5	Safe Drinking Water Bond Surcharge			
19	470.9	Other metered revenue	278,569		278,569
20		Sub-total	3,986,078	3,687,038	299,040
21		Total water service revenues	3,999,657	3,699,194	300,463
22	480	Other water revenue	14,654	20,410	(5,756)
23		Total operating revenues	4,014,311	3,719,604	294,707

SCHEDULE B-2
Account No. 401 - Operating Expenses

Line No.	Acct. No.	Account (a)	Amount Current Year (b)	Amount Preceding 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	650,944	504,641	146,303
5	616	Other volume related expenses	10,184	9,671	513
6		Total volume related expenses	661,128	514,312	146,816
7		NON-VOLUME RELATED EXPENSES			
8	630	Employee labor	415,185	324,473	90,712
9	640	Materials	71,416	71,640	(224)
10	650	Contract work	83,611	24,508	59,103
11	660	Transportation expenses	206,821	185,732	21,089
12	664	Other plant maintenance expenses	36,904	41,449	(4,545)
13		Total non-volume related expenses	813,937	647,802	166,135
14		Total plant operation and maintenance exp.	1,475,065	1,162,114	312,951
15		ADMINISTRATIVE AND GENERAL EXPENSES			
16	670	Office salaries	234,056	222,486	11,570
17	671	Management salaries and fees	131,922	173,126	(41,204)
18	674	Employee pensions and benefits	198,847	172,294	26,553
19	676	Uncollectible accounts expense			
20	678	Office services and rentals	73,430	68,661	4,769
21	681	Office supplies and expenses	78,033	100,027	(21,994)
22	682	Professional services	844,331	1,174,444	(330,113)
23	684	Insurance	109,937	48,779	61,158
24	688	Regulatory commission expense	397	212	185
25	689	General expenses	63,364	53,442	9,922
26		Total administrative and general expenses	1,734,317	2,013,471	(279,154)
27	800	Expenses capitalized			
28		Net administrative and general expense	1,734,317	2,013,471	(279,154)
29		Total operating expenses	3,209,382	3,175,585	33,797

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	69,234	69,234	
2	State corporate franchise tax	7,778	7,778	
3	State unemployment insurance tax	5,172	5,172	
4	Other state and local taxes	107,864	107,864	
5	Federal unemployment insurance tax	1,500	1,500	
6	Federal insurance contributions act	54,155	54,155	
7	Other federal taxes			
8	Federal income taxes	10,795	10,795	
9				
10				
11	Totals	256,498	256,498	

SCHEDULE B-4

Reconciliation of Reported Net Income for Federal Income Taxes

- 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.
- 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.
- 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		
7	See Attachment 2	
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	Interest and dividend income	468	
2	Deferred revenue - CIAC	2,422	
3	Reimbursed expenses	42,186	
4	Other income	37,173	
5	Miscellaneous non utility expense		1,358
6	Total	82,249	1,358

SCHEDULE B-6
Account No. 427 - Interest Expense

Line No.	Description (a)	Amount (b)
1	Interest expense on long term debt	54,225
2	Interest expense on short term debt	99,487
3		
4		
5		
6		
7		
8		
9		
10	Total	153,712

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	14	415,185	143,673	558,858
2	670	Office salaries	10	234,056		234,056
3	671	Management salaries and fees	1	131,922		131,922
4						
5						
6		Total	25	781,163	143,673	924,836

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								
4				N/A				
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) Yes, by Court order dated 4/9/2002.	
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	John W. Richardson & Associates.	
6	3. Date of original contract or agreement. April 9, 2002.	
7	4. Date of each supplement or agreement.	
8	5. Amount of compensation paid during the year for supervision or management \$32,521	
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 Billed by Receiver and Receiver's consultants.	
14		
15	10. Distribution of payments:	
16	(a) Charged to operating expenses	Amount
17	(b) Charged to capital amounts	\$
18	(c) Charged to other account	\$
19	Total	\$32,521
20	11. Distribution of charges to operating expenses by primary accounts	
21	Number and Title of Account	Amount
22		\$
23		\$
24		\$
25	Total	\$None
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								
<p>* 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.</p>								

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	20,007		90,898	53,102
22	Totals	6,288		1,397		38,002	96,001	450	146,002	82,997

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
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	240,622
34	Totals	4,694	68,732		10,730	80	20	40	2,182	457,615

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	8,506	7,851		
Commercial and Multi-residential		480		
Large water users				
Public authorities				
Irrigation	33	76		
Other (specify) Fire Protection				33
Industrial/School		50		
Subtotal	8,539	8,457	0	33
Private fire connections	19	24		
Public fire hydrants				
Total	8,558	8,481	0	33

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

Size	Meters	Services
5/8 x 3/4 - in	1,213	xxxxxxxxxxxxx
3/4 - in	2,945	
1 - in	3,014	
1-1/2 - in	1,065	
2 - in	162	
3 - in	38	
4 - in	12	
5 - in	1	
6 - in	6	
8 - in	1	
Total	8,457	

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 (factory tested)
2. Used, before repair	10
3. Used, after repair	0
4. Found fast, requiring billing adjustment	0
B. Number of Meters in Service Since Last Test	
1. Ten years or less	3,375
2. More than 10, but less than 15 years	1,148
3. More than 15 years	3,981

SCHEDULE D-7
Water delivered to Metered Customers by Months and Years in hundred cubic feet (ccf):

Classification of Service	During Current Year							Subtotal
	January	February	March	April	May	June	July	
Single-family residential	84,654	93,097	87,726	104,432	125,761	151,014	155,820	802,504
Commercial and Multi-residential	38,154	41,431	36,848	39,577	42,226	51,630	48,392	298,258
Large water users								
Public authorities								
Irrigation	1,635	3,550	5,733	8,096	11,571	14,261	14,821	59,667
Other (specify)								
Industrial/School	1,804	2,586	2,201	3,959	5,920	9,544	7,926	33,940
Total	126,247	140,664	132,508	156,064	185,478	226,449	226,959	1,194,369
Classification of Service	During Current Year							Total Prior Year
	August	September	October	November	December	Subtotal	Total	
Single-family residential	164,805	157,079	138,377	121,115	96,397	677,773	1,480,277	2,167,377
Commercial and Multi-residential	52,900	54,226	45,788	50,876	41,879	245,669	543,927	0
Large water users								
Public authorities								
Irrigation	15,013	13,219	12,677	9,351	4,739	54,999	114,666	0
Other (specify)								
Industrial/School	9,715	8,344	8,184	4,877	1,807	32,927	66,867	0
Total	242,433	232,868	205,026	186,219	144,822	1,011,368	2,205,737	2,167,377

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 Approximately 34,000

ALISAL WATER CORPORATION
 2002 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
Money Store Corp. (First Union)	04-94	04-2009	415,000	252,474	(var)		19,606
Money Store (First Union)	06-92	05-2006	600,000	233,775	(var)		19,901
R. T. Adcock (Advances)	(var)	demand	210,000	101,425	12.0		9,827
NTFC (Capital Lease)	9-98	8-2003	18,569	3,611	13.4		690
Ford Motor Credit (Utility Truck)	5-98	7-2002	11,196	0	14.0		164
Wells Fargo (Conseco Financial Capital Lease)	2-00	12-2004	33,802	16,802	14.1		2,907
Total				<u>608,087</u>			<u>53,095</u>

ALCO WATER SERVICE2002 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, \$ (100,095)

PLUS:

Income Tax Expense	16,173
Book Depreciation	389,501
Taxable CIAC	227,850
Other	<u>13,282</u>

Subtotal \$ 546,711

Minus:

Tax Depreciation (Approx.)	\$ 595,532
Other Deductions	<u>37,430</u>
Taxable Income (loss)	<u><u>\$ (86,251)</u></u>

MEMBERS OF CONSOLIDATED TAX GROUP:

ALCO WATER SERVICE
 TORO WATER SERVICE
 CALIFORNIA UTILITIES SERVICE

ANNUAL REPORT
ALCO WATER SERVICE
WELLS SCHEDULE D-1

NUMBER	WELL	DIAMETER	DEPTH TO WATER	GPM
1	Alma Street	16"	118'	492
3	Bardin	14"	112'	NA
8	Laurel Heights	NA	NA	NA
9	E. Laurel (County)	14"	110'	2377
11	San Jerardo 2	12"	209'	100
12	San Jerardo 3	10"	209'	172
13	Wildwood 1	8"	410'	70
14	Wildwood 2	10"	410'	70
15	Pine Canyon	16"/12"	136'	153
16	Blackie Road	10"	216'	53
17	Valle Pacifico 1	6"	310'	1
18	Valle Pacifico 2	8"	310'	30
19	Alisal High	16"	177'	2106
20	Berta Canyon	12"	211'	300
21	Holly Hills (Coker Road)	8"	219'	35
22	Manzanita	12"	205'	500
23	Moss Landing	12"	122'	579
24	Las Casitas	16"	113'	2371
25	Santana	16"	148'	1333
26	Boronda	16"	142'	1997
27	Vierra Canyon	8"	266'	83
28	Matterhorn Place	6"	266'	35
29	Via Guiseppe	NA	NA	NA
30	Nogal Drive	16"	145'	2031

NA indicates "not operating"

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