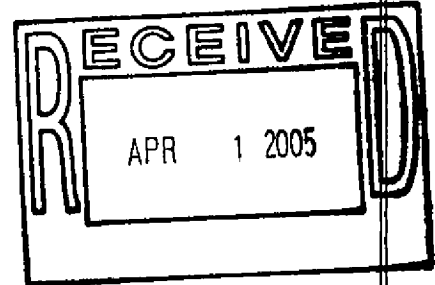


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Received \_\_\_\_\_  
Examined \_\_\_\_\_

CLASS B and C  
WATER UTILITIES

U# 206-W



2004  
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, 2004

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2005  
(FILE TWO COPIES IF THREE RECEIVED)

## INSTRUCTIONS

1. One completed copy of this report (two copies if three received) must be filed NOT LATER THAN MARCH 31, following the year covered by the report, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION  
WATER DIVISION  
ATTN: SEANEEN M WILSON  
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  
2004

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

PERSON RESPONSIBLE FOR THIS REPORT Marino A. Rodriguez  
(Prepared from Information in the 2004 Annual Report)

	1/1/2004	12/31/2004	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant	20,325	20,325	20,325
2 Land and Land Rights	112,046	262,046	187,046
3 Depreciable Plant	20,771,659	22,251,654	21,511,656
4 Gross Plant in Service	20,904,030	22,534,025	21,719,027
5 Less: Accumulated Depreciation	(6,239,388)	(6,832,659)	(6,536,023)
6 Net Water Plant in Service	14,664,642	15,701,366	15,183,004
7 Water Plant Held for Future Use			
8 Construction Work in Progress	259,913	650,061	454,987
9 Materials and Supplies	0	0	0
10 Less: Advances for Construction	(2,789,581)	(3,190,169)	(2,989,875)
11 Less: Contribution in Aid of Construction	(5,393,466)	(5,642,179)	(5,517,823)
12 Less: Accumulated Deferred Income and Investment Tax Credits	(709,957)	(943,052)	(826,504)
13 Net Plant Investment	6,031,551	6,576,027	6,303,789
<b>CAPITALIZATION</b>			
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	1,232,434	1,113,331	1,172,883
18 Common Stock and Equity (Lines 14 through 17)	1,367,476	1,248,373	1,307,925
19 Preferred Stock			
20 Long-Term Debt	501,795	509,834	505,814
21 Notes Payable	940,939	3,453,601	2,197,270
22 Total Capitalization (Lines 18 through 21)	2,810,210	5,211,808	4,011,009

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
2004

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

	Annual Amount
<b>INCOME STATEMENT</b>	
23 Unmetered Water Revenue	1,678
24 Fire Protection Revenue	14,468
25 Other Water Revenue	15,085
26 Metered Water Revenue	4,493,107
27 Total Operating Revenue	4,524,338
28 <u>Operating Expenses</u>	3,384,967
29 Depreciation Expense (Composite Rate <u>2.79%</u> )	398,634
30 Amortization and Property Losses	
31 Property Taxes	76,863
32 Taxes Other Than Income Taxes	198,119
33 Total Operating Revenue Deduction Before Taxes	4,058,583
34 California Corp. Franchise Tax	25,955
35 Federal Corporate Income Tax	87,635
36 Total Operating Revenue Deduction After Taxes	4,172,173
37 Net Operating Income (Loss) - California Water Operations	352,165
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	(4,337)
39 Income Available for Fixed Charges	347,828
40 Interest Expense	167,810
41 Net Income (Loss) Before Dividends	180,018
42 Preferred Stock Dividends	0
43 Net Income (Loss) Available for Common Stock	180,018
Extraordinary Loss	(299,121)
Net Income (Loss)	(119,103)

**OTHER DATA**

44 Refunds of Advances for Construction	
45 Total Payroll Charged to Operating Expenses	898,920
46 Purchased Water	0
47 Power	532,337

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		8,713	8,862	8,788
49 Flat Rate Service Connections		71	82	76
50 Total Active Service Connections		8,784	8,944	8,864

**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		<b>NON-DEPRECIABLE PLANT</b>					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		<b>DEPRECIABLE PLANT</b>					
6	304	Structures					
7	307	Wells		N/A			
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					





## GENERAL INFORMATION

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

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

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

5 Service Area: (Refer to district reports if applicable.)  
Easte 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:

<u>(Name)</u>	<u>Robert T. Adcock</u>	<u>(Title)</u>	<u>President</u>
<u>(Name)</u>	<u>Thomas R. Adcock</u>	<u>(Title)</u>	<u>Vice President</u>
<u>(Name)</u>	<u>Patricia Adcock</u>	<u>(Title)</u>	<u>Secretary</u>
<u>(Name)</u>		<u>(Title)</u>	

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.

11 List Name, Grade, and License Number of all Licensed Operators:  
See Attachment

**GENERAL INFO**

**11. Name, Grade and License Number of All Licensed Operators**

**Treatment Operators**

<u>Name</u>	<u>License #</u>	<u>Grade</u>
Thomas R. Adcock	17011	4
Octavio Castillo	16660	2
Adam Souza	20785	2
Andrea Schmitz	23026	2
Lynette Snow	23038	2

**Distribution Operators**

<u>Name</u>	<u>License #</u>	<u>Grade</u>
Adam Souza	22458	2
Andrea Schmitz	19083	2
Lynette Snow	19084	2



**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		<b>CORPORATE CAPITAL AND SURPLUS</b>			
2	201	Common stock	9	89,063	89,063
3	204	Preferred stock	9	(55,761)	(55,761)
4	211	Other paid-in capital	9	101,740	101,740
5	215	Retained earnings	10	1,113,331	1,232,434
6		Total corporate capital and retained earnings		1,248,373	1,367,476
7		<b>PROPRIETARY CAPITAL</b>			
8	218	Proprietary capital	10		
9	218.1	Proprietary drawings			
10		Total proprietary capital			
11		<b>LONG TERM DEBT</b>			
12	224	Long term debt	11	509,834	501,795
13	225	Advances from associated companies	12	0	0
14		<b>CURRENT AND ACCRUED LIABILITIES</b>			
15	231	Accounts payable		2,083,340	3,386,055
16	232	Short term notes payable		3,453,601	940,939
17	233	Customer deposits		118,792	94,453
18	235	Payables to associated companies	12		
19	236	Accrued taxes		472,105	109,252
20	237	Accrued interest			
21	241	Other current liabilities	13	401,088	340,973
22		Total current and accrued liabilities		6,528,926	4,871,672
23		<b>DEFERRED CREDITS</b>			
24	252	Advances for construction	13	3,190,169	2,789,581
25	253	Other credits	8	580,650	534,015
26	255	Accumulated deferred investment tax credits	13	75,927	80,039
27	282	Accumulated deferred income taxes - ACRS depreciation	13	867,125	629,918
28	283	Accumulated deferred income taxes - other	13		
29		Total deferred credits		4,713,871	4,033,553
30		<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>			
31	271	Contributions in aid of construction	14	7,384,739	6,936,389
32	272	Accumulated amortization of contributions		(1,742,560)	(1,542,923)
33		Net contributions in aid of construction		5,642,179	5,393,466
34		Total liabilities and other credits		18,643,183	16,167,962

**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	20,904,030	1,634,995	5,000		22,534,025
2	103	Water plant held for future use	0				
3	104	Water plant purchased or sold	22,700				22,700
4	105	Construction work in progress - water plant	259,913	390,148	xxxxxxxxxxxx		650,061
5	114	Water plant acquisition adjustments	(34,719)		xxxxxxxxxxxx		(34,719)
6		Total utility plant	21,151,924	2,025,143	5,000		23,172,067

\* 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		<b>NON-DEPRECIABLE PLANT</b>					
2	301	Intangible plant	20,325				20,325
3	303	Land	112,046	150,000			262,046
4		Total non-depreciable plant	132,371	150,000			282,371
5		<b>DEPRECIABLE PLANT</b>					
6	304	Structures	776,029	102,831			878,860
7	307	Wells	828,814				828,814
8	317	Other water source plant	11,880				11,880
9	311	Pumping equipment	1,880,600	52,213			1,932,813
10	320	Water treatment plant	385,309				385,309
11	330	Reservoirs, tanks and sandpipes	981,433	1,919			983,352
12	331	Water mains	10,486,245	881,155			11,367,400
13	333	Services and meter installations	3,013,087	143,935			3,157,022
14	334	Meters	980,561	33,793	5,000		1,009,354
15	335	Hydrants	189,495				189,495
16	339	Other equipment	824,978	255,369			1,080,347
17	340	Office furniture and equipment	339,539	8,621			348,160
18	341	Transportation equipment	73,689	5,159			78,848
19		Total depreciable plant	20,771,659	1,484,995	5,000		22,251,654
20		Total water plant in service	20,904,030	1,634,995	5,000		22,534,025

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

**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	N/A			
4				
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	6,239,388		
2	Add: Credits to reserves during year			
3	(a) Charged to Account No. 403 (Footnote 1)	398,634		
4	(b) Charged to Account No 272	199,637		
5	(c) Charged to clearing accounts			
6	(d) Salvage recovered			
7	(e) All other credits (Footnote 2)			
8	Total Credits	598,271		
9	Deduct: Debits to reserves during year			
10	(a) Book cost of property retired	5,000		
11	(b) Cost of removal			
12	(c) All other debits (Footnote 3)			
13	Total debits	5,000		
14	Balance in reserve at end of year	6,832,659		
15	(1) COMPOSITE DEPRECIATION RATE USED FOR STRAIGHT LINE REMAINING LIFE 2.78%			
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	250,233	27,305		0	277,538
2	307	Wells	289,142	27,351		0	316,493
3	317	Other water source plant	939	475		0	1,414
4	311	Pumping equipment	839,565	74,140		0	913,705
5	320	Water treatment plant	94,326	25,755		0	120,081
6	330	Reservoirs, tanks and sandpipes	205,321	22,999		0	228,320
7	331	Water mains	2,187,805	218,535		0	2,406,340
8	333	Services and meter installations	858,453	89,466		0	947,919
9	334	Meters	404,760	39,412	5,000	0	439,172
10	335	Hydrants	59,161	4,988		0	64,149
11	339	Other equipment	792,524	20,893		0	813,417
12	340	Office furniture and equipment	218,163	31,698		0	249,861
13	341	Transportation equipment	38,996	15,254		0	54,250
14		Total	6,239,388	598,271	5,000	0	6,832,659

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

Line No.	Item (a)	Amount (b)
1	Prepaid Expenses	49,786
2	Advances to Employees	7,250
3	Deposits	93,661
4	Other	55,104
5		
6		
7		
8		
9		
10		205,801



**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 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 Service - 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	1,232,434
2	<b>CREDITS</b>	
3	Net income	
4	Prior period adjustments	
5	Other credits (detail)	
6	Total credits	
7		
8	<b>DEBITS</b>	
9	Net losses	119,103
10	Prior period adjustments	
11	Dividend appropriations - preferred stock	
12	Dividend appropriations - common stock	
13	Other debits (detail)	
14	Total debits	119,103
15	Balance end of year	1,113,331

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

Line No.	Item (a)	Amount (b)
1	Balance beginning of year	
2	<b>CREDITS</b>	
3	Net income	
4	Additional investments during year	
5	Other credits (detail)	
6	Total credits	
7	<b>DEBITS</b>	
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	Employee Pension and 401k	180,113
2	Salary Accrual/Paid Time Off Accrual	124,149
3	Other	96,826
4		
5	Totals	401,088

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

Line No.	(a)	(b)	Amount (c)
1	Balance beginning of year	XXXXXXXXXXXXXXXXXX	2,789,581
2	Additions during year	XXXXXXXXXXXXXXXXXX	465,100
3	Subtotal - Beginning balance plus additions during year	XXXXXXXXXXXXXXXXXX	3,254,681
4	Charges during year:	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
5	Refunds	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
6	Percentage of revenue basis	30,870	XXXXXXXXXXXXXXXXXX
7	Proportionate cost basis	33,642	XXXXXXXXXXXXXXXXXX
8	Present worth basis		XXXXXXXXXXXXXXXXXX
9	Total refunds	64,512	XXXXXXXXXXXXXXXXXX
10	Transfers to Acct. 271, Contributions in aid of Construction	XXXXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXXXXX
11	Due to expiration of contracts		XXXXXXXXXXXXXXXXXX
12	Due to present worth discount		XXXXXXXXXXXXXXXXXX
13	Total transfers to Acct. 271		XXXXXXXXXXXXXXXXXX
14	Securities Exchanged for Contracts (Enter detail below)		XXXXXXXXXXXXXXXXXX
15	Subtotal - charges during year	64,512	
16	Balance end of year	XXXXXXXXXXXXXXXXXX	3,190,169

**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	75,927		
2	Accumulated Deferred Income Taxes		867,125	
3				
4				
5	Totals	75,927	867,125	

**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 <sup>2</sup> (e)	Depreciation Accrued Through Dec. 31, 1954 on Property in Services at Dec. 31, 1954 <sup>3</sup> (f)
			Depreciable (c)	Non-Depreciable (d)		
1	Balance beginning of year	5,393,466	5,393,466			
2	Add: Credits to account during year					
3	Contributions received during year	448,350	448,350			
4	Other credits*					
5	Total credits	448,350	448,350			
6	Deduct: Debits to Account during year					
7	Depreciation charges for year	199,637	199,637			
8	Nondepreciable donated property retired					
9	Other debits*					
10	Total debits	199,637	199,637			
11	Balance end of year	5,642,179	5,642,179			

\* 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		<b>WATER SERVICE REVENUES</b>			
2	460	Unmetered water revenue			
3	460.1	Single - family residential	1,678	1,680	(2)
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	1,678	1,680	(2)
9	462	Fire protection revenue			
10	462.1	Public fire protection			
11	462.2	Private fire protection	14,468	13,491	977
12		Sub-total	14,468	13,491	977
13	465	Irrigation revenue	180,722		
14	470	Metered water revenue			
15	470.1	Single-family residential	3,345,358	3,088,655	256,703
16	470.2	Commercial and multi-residential	814,398	799,562	14,836
17	470.3	Large water users			
18	470.5	Safe Drinking Water Bond Surcharge			
19	470.9	Other metered revenue	152,629	293,823	(141,194)
20		Sub-total	4,312,385	4,182,040	130,345
21		Total water service revenues	4,509,253	4,197,211	312,042
22	480	Other water revenue	15,085	14,720	365
23		Total operating revenues	4,524,338	4,211,931	312,407

**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		<b>PLANT OPERATION AND MAINTENANCE EXPENSES</b>			
2		<b>VOLUME RELATED EXPENSES</b>			
3	610	Purchased water			
4	615	Power	532,337	581,309	(48,972)
5	616	Other volume related expenses	8,245	8,075	170
6		Total volume related expenses	540,582	589,384	(48,802)
7		<b>NON-VOLUME RELATED EXPENSES</b>			
8	630	Employee labor	506,186	419,587	86,599
9	640	Materials	53,488	39,258	14,230
10	650	Contract work	91,131	77,248	13,883
11	660	Transportation expenses	275,487	240,315	35,172
12	664	Other plant maintenance expenses	75,210	68,832	6,378
13		Total non-volume related expenses	1,001,502	845,240	156,262
14		Total plant operation and maintenance exp.	1,542,084	1,434,624	107,460
15		<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
16	670	Office salaries	320,372	284,638	35,734
17	671	Management salaries	72,362	57,919	14,443
18	674	Employee pensions and benefits	341,394	258,232	83,162
19	676	Uncollectible accounts expense			
20	678	Office services and rentals	85,753	71,372	14,381
21	681	Office supplies and expenses	99,497	76,822	22,675
22	682	Professional services	579,949	278,911	301,038
23	684	Insurance	222,815	157,979	64,836
24	688	Regulatory commission expense	643	628	15
25	689	General expenses	120,098	61,146	58,952
26		Total administrative and general expenses	1,842,883	1,247,647	595,236
27	800	Expenses capitalized			
28		Net administrative and general expense	1,842,883	1,247,647	595,236
29		Total operating expenses	3,384,967	2,682,271	702,696

**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	76,863	76,863	
2	State corporate franchise tax	25,955	25,955	
3	State unemployment insurance tax	9,338	9,338	
4	Other state and local taxes	121,164	121,164	
5	Federal unemployment insurance tax	1,318	1,318	
6	Federal insurance contributions act	66,299	66,299	
7	Other federal taxes			
8	Federal income taxes	87,635	87,635	
9				
10				
11	Totals	388,572	388,572	

**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		
7		
8		
9	See Attachment 2	
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	61	
2	Deferred Revenue - CIAC	15,373	
3	Reimbursed Expenses	2,384	
4	Miscellaneous Non-utility Expenses		22,155
5	Total	17,818	22,155

**SCHEDULE B-6**  
**Account No. 427 - Interest Expense**

Line No.	Description (a)	Amount (b)
1	Interest Expense on Long Term Debt	25,140
2	Interest Expense on Short Term Debt	142,670
3		
4		
5		
6		
7		
8		
9		
10	Total	167,810

**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	506,186	200,199	706,385
2	670	Office salaries	8	320,372		320,372
3	671	Management salaries	1	72,362		72,362
4						
5						
6		Total	25	898,920	200,199	1,099,119

**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) 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. 4/9/02	
7	4. Date of each supplement or agreement.	
8	5. Amount of compensation paid during the year for supervision or management . . . . \$ 29,249	
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? None	
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.</p> <p>1 Average depth to water surface below ground surface</p> <p>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	20,747		94,693	53,932
22	Totals	6,288		1,397		38,002	96,741	450	149,797	83,827

**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	78,250		10,730	80	20	40	2,182	271,628
34	Totals	4,694	94,373		10,730	80	20	40	2,182	488,621

**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	8,093	8,227		
Commercial and Multi-residential	484	488		
Large water users				
Public authorities				
Irrigation	86	94		
Other (specify) Fire Protection			42	53
Industrial/School	50	53		
Subtotal	8,713	8,862	42	53
Private fire connections			29	29
Public fire hydrants				
Total	8,713	8,862	71	82

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

Size	Meters	Services
5/8 x 3/4 - in	1,066	xxxxxxxxxxxx
3/4 - in	3,131	
1 - in	3,208	
1 1/2 - in	1,221	
2 - in	186	
3 - in	32	
4 - in	13	
6 - in	4	
Other	1	
Total	8,862	

**SCHEDULE D-6  
Meter Testing Data**

<b>A. Number of Meters Tested During Year as Prescribed In Section VI of General Order No. 103:</b>	
1. New, after being received . . . . .	0
2. Used, before repair . . . . .	0
3. Used, after repair . . . . .	0
4. Found fast, requiring billing adjustment . . . . .	0
<b>B. Number of Meters in Service Since Last Test</b>	
1. Ten years or less . . . . .	3,813
2. More than 10, but less than 15 years . . . . .	1,097
3. More than 15 years . . . . .	3,952

**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	92,498	84,907	98,082	125,736	145,290	150,984	169,578	867,075	
Commercial and Multi-residential	42,030	35,641	38,780	45,218	45,721	49,024	51,622	308,036	
Large water users									
Public authorities									
Irrigation	2,452	2,691	2,455	6,513	10,791	14,323	16,483	55,708	
Other (specify) industrial/schools	1,282	1,535	8,020	3,950	5,096	6,116	6,356	32,355	
Total	138,262	124,774	147,337	181,417	206,898	220,447	244,039	1,263,174	
Classification of Service	During Current Year						Subtotal	Total	Prior Year
	August	September	October	November	December	Total			
Single-family residential	162,491	164,428	141,628	96,023	99,144	663,714	1,530,789	1,495,221	
Commercial and Multi-residential	51,201	57,533	54,148	36,569	39,205	238,656	546,692	541,594	
Large water users									
Public authorities									
Irrigation	14,899	14,204	10,869	4,493	3,518	47,983	103,691	108,617	
Other (specify) industrial/schools	7,803	6,465	4,980	3,727	3,424	26,399	58,754	73,094	
Total	236,394	242,630	211,625	140,812	145,291	976,752	2,239,926	2,218,526	

Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or meter-inch-days.

Total acres irrigated \_\_\_\_\_

Total population served 29,245 (approximately)





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**ALISAL WATER CORPORATION**  
 2004 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	184,069	(var)		14,518
Money Store (First Union)	06-92	05-2006	600,000	0	(var)		5,665
R. T. Adcock (Advances)	(var)	demand	210,000	101,425	12.0		0
Wells Fargo (Conseco Financial Capital Lease)	2-00	12-2004	33,802	0	14.1		704
Caterpillar Financial (Capital Lease)	10-04	09-2008	238,573	224,340	4.8		2,124
<b>Total</b>				<u>509,834</u>			<u>23,011</u>

ALCO WATER SERVICE2004 ANNUAL REPORTSCHEDULE B-4ATTACHMENT 2

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

Net Book Income for the Year Per Schedule B Page 15, (\$ 119,103)

PLUS:

Income Tax Expense	113,590
Book Depreciation	398,634
Taxable CIAC	204,457
Other	<u>216,400</u>

Subtotal \$ 813,978

## Minus:

Tax Depreciation (Approx.)	\$ 611,022
Other Deductions	<u>117,793</u>
Taxable Income	\$ 85,163

Net Operating Loss \$ 85,163

Estimated Net Taxable Income \$ 0

## 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	Kilbreth	16"	182'	2876
30	Nogal Drive	16"	145'	2031

NA indicates "not operating"