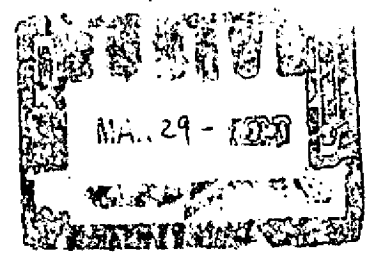


J. 4

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____



2003
ANNUAL REPORT
OF

ARROYO CENTER WATER CO. INC.

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

47475 ARROYO SEED ROAD GREENFIELD CA 93927

(OFFICIAL MAILING ADDRESS) ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2003

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2004
(FILE TWO COPIES IF THREE RECEIVED)

Received _____
Examined _____

**CLASS D
WATER UTILITIES**

U# _____

**2003
ANNUAL REPORT
OF**

Arroyo Center Water Company, Inc.

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

47475 Arroyo Seco Road, Greenfield, Ca 93927

(OFFICIAL MAILING ADDRESS) ZIP

**TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE
YEAR ENDED DECEMBER 31, 2003**

**REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2004
(FILE TWO COPIES IF THREE RECEIVED)**

INSTRUCTIONS

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

**CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298**

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Oath, on the last page, must be signed by an officer, partner or owner.
4. The report must be prepared in ink or by the use of a typewriter. Computer generated report forms may be substituted.
5. The report must be filled in, and every question answered. LEAVE NO SCHEDULE BLANK. Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Certain balance sheet and income statement accounts refer to supplemental schedules. The totals of the details in the latter must agree with the balances of the accounts to which they refer.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report.
9. This report must cover a calendar year, from January 1 through December 31. Fiscal year reports will not be accepted.

Account Number	Operating Revenue	
470	Metered	
460	Unmetered	38490
465	Irrigation (Assessment)	44100
462-480	Private Fire Protection	
	Total Revenue	82190
	Operating Expenses	
610	Purchased Water	
615	Purchased Power	2665
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	
630	Employee Labor	15740
640	Materials	
650	Contract Work	
	Water Testing	162
660	Transportation Expense	
664	Other Plant Maintenance	1818
670	Office Salaries	
671	Management Salaries	
674	Employee Pensions and Benefits	2320
676	Uncollectables	
678	Office Service and Rentals	17826
681	Office Supplies and Expense	718
682	Professional Services	3767
684	Insurance	5714
688	Regulatory Expense	2454
689	General Expense	194
	Subtotal	53378
403	Depreciation Expense	64
	Ad Valorem Taxes	
	Payroll taxes	1360
408	Taxes other than income	149
409	State Income Tax	800
410	Federal Income Tax	
	Total Deductions	55751
	Interest Income	112
	Net Revenue	26551

	Rate Base	
	Average Plant	23384
	Average Depreciation Reserve	23351
	Net Plant	33
	Less: Advances	
	Less: Contributions	44100
	Plus: Construction Work in Progress	9110
	Plus: Working Cash	17037
	Plus: Material & Supplies	
	Rate Base	
	ROR=Net Rev/Rate Base	

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Arroyo Center Water Company, Inc.

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

47475 Arroyo Seco Road, Greenfield, Ca 93927

(Official mailing address)

Greenfield, Ca Monterey County

(Service area-town and county)

GENERAL INFORMATION

**RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES**

1 If a corporation show:

(A) Date of organization 1961 incorporated in the State of Calif.

(B) Names, titles and addresses of principal officers:

2 If unincorporated give the name and address of owner or of each partner:

3 Name and telephone number of:

(A) One person listed above to receive correspondence:

Collette Titgen

(B) Person responsible for operations and services:

Gabriel Rosales

4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) No

If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged? N/A

5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:

Arroyo Center Resort.Inc.

PUBLIC HEALTH STATUS

6 Has state or local health department inspection been made during the year?

Yes	No	Latest Date
X		Mar-03
X		Dec-03
X		Jun-03
NA		
X		Jun-04

7 Are routine laboratory tests of water being made?

8 Has state health department water supply permit been obtained? (Indicate date)

9 If no permit has been obtained, state whether application has been made and when.

10 Show expiration date if state permit is temporary.

SPECIAL INSTRUCTIONS (over)

SPECIAL INSTRUCTIONS

- 1 Beginning of year balances must agree with end of year balances shown in report for previous year.
Attach a supplementary statement to explain any differences.
- 2 Attach a supplementary statement to explain adjustments in Schedule B - Water Plant in Service.
- 3 Complete all schedules, using the words "None" or "Not applicable" if appropriate.
- 4 Report must be prepared legibly in ink or by typewriter.

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

20____

NAME OF UTILITY Arroyo Center Water Company PHONE 831 6740416

PERSON RESPONSIBLE FOR THIS REPORT Bret Green CPA
 (Prepared from Information in the 2003__ Annual Report)

	1/1/_03__	12/31/_03__	Average
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights	300	300	300
3 Depreciable Plant	23384	23384	23384
4 Gross Plant in Service	23384	23384	23384
5 Less: Accumulated Depreciation	23287	23351	23319
6 Net Water Plant In Service			
7 Water Plant Held for Future Use			
8 Construction Work in Progress		9110	4555
9 Materials and Supplies			
10 Less: Advances for Construction	()	()	()
11 Less: Contribution in Aid of Construction	()	()	()
12 Less: Accumulated Deferred Income and Investment Tax Credits	()	()	()
13 Net Plant Investment			
CAPITALIZATION			
14 Common Stock	10000	10000	10000
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	22667	-5234	8717
18 Common Stock and Equity (Lines 14 through 17)	32667	4766	18717
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	32667	4766	18717

(Revised 2/01)

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

20_____
(continued)

NAME OF UTILITY Arroyo Center Water Co

PHONE 831 674 0416

INCOME STATEMENT

	Annual Amount
23 Unmetered Water Revenue	38090
24 Fire Protection Revenue	_____
25 Irrigation Revenue	_____
26 Metered Water Revenue	_____
27 Total Operating Revenue	38090
28 <u>Operating Expenses</u>	64
29 Depreciation Expense (Composite Rate _____)	_____
30 Amortization and Property Losses	_____
31 Property Taxes	149
32 Taxes Other Than Income Taxes	_____
33 Total Operating Revenue Deduction Before Taxes	_____
34 California Corp. Franchise Tax	800
35 Federal Corporate Income Tax	_____
36 Total Operating Revenue Deduction After Taxes	22677
37 Net Operating Income (Loss) - California Water Operations	_____
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	44100
39 Income Available for Fixed Charges	_____
40 Interest Expense	_____
41 Net Income (Loss) Before Dividends	_____
42 Preferred Stock Dividends	_____
43 Net Income (Loss) Available for Common Stock	_____

OTHER DATA

44 Refunds of Advances for Construction	_____
45 Total Payroll Charged to Operating Expenses	15740
46 Purchased Water	_____
47 Power	2665

Active Service Connections (Exc. Fire Protect.) _____

	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections	_____	_____	_____
49 Flat Rate Service Connections	61	61	61
50 Total Active Service Connections	61	61	61

**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: N/A

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

2. Former Fiscal Agent:

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: _____

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

Line No.	Acct. No.	Title of Account (a)	Balance Beginning of Year (b)	Plant Additions During Year (c)	Plant Retirements During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1		NON-DEPRECIABLE PLANT					
2	301	Intangible plant					
3	303	Land					
4		Total non-depreciable plant					
5		DEPRECIABLE PLANT					
6	304	Structures					
7	307	Wells					
8	317	Other water source plant					
9	311	Pumping equipment					
10	320	Water treatment plant					
11	330	Reservoirs, tanks and sandpipes					
12	331	Water mains					
13	333	Services and meter installations					
14	334	Meters					
15	335	Hydrants					
16	339	Other equipment					
17	340	Office furniture and equipment					
18	341	Transportation equipment					
19		Total depreciable plant					
20		Total water plant in service					

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2003)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	23384	201	Common Stock (Corporations only)	10000
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	22687
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	23351	224	Long term debt	
6	114	Water plant acquisition adjustments (WIP)	9110		Current Liabilities	37066
7	124	Other investments		252	Advances for construction	
8	131	Cash	52089	253	Other deferred credits	
9	141	Accounts receivable - customers	8211	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies		282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies			depreciation	
12	174	Other current assets		283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	69743		Total Equity and Liabilities	69743

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct	Title of Account	Balance Beg of Year	Plt Additions During year	Plt Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					
17	303	Land	300				300
18	304	Structures					
19	307	Wells (Total Water Plant)	23384			23351-	33
20	317	Other water source plant					
21	311	Pumping equipment					
22	320	Water treatment plant (WIP)				9110	9110
23	330	Reservoirs tanks and sandpipes					
24	331	Water mains					
25	333	Services and meter installations					
26	334	Meters					
27	335	Hydrants					
28	339	Other equipment					
29	340	Office furniture and equipment					
30	341	Transportation equipment					
31		Total water plant in service	23684				23684

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

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Account 106 Water Plant	Account 106.1 SDWBA Loans	
32	Balance in reserves at beginning of year			A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year			
34	(a) Charged to Account No. 403			
35	(b) Charged to Account No. 272			B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$
36	(c) Charged to clearing accounts			
37	(d) Salvage recovered			
38	(e) All other credits			
39	Total credits			
40	Deduct: Debits to reserves during year			C. State method used to compute tax depreciation.
41	(a) Book cost of property retired			
42	(b) Cost of removal			
43	(c) All other debits			
44	Total debits			
45	Balance in reserve at end of year			
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

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

Line				
1	Common - (Shares	\$	par)	\$10,000
2	Preferred - (Shares	\$	par)	
3	Dividends - Common	Rate - \$		
4	- Preferred	Rate - \$		

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5				None				
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	38090
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	
14	480 Other water revenue (Assessment)	441000
15	Total Operating Revenue	82190
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Power	2665
20	618 Other volume related expenses	
21	630 Employee labor	15740
22	640 Materials	
23	650 Contract work	
24	660 Transportation expenses	
25	664 Other plant maintenance expense	1818
26	670 Office salaries	
27	671 Management salaries	
28	674 Employee pensions and benefits	2320
29	676 Uncollectible accounts expense	
30	678 Office services and rentals	17826
31	681 Office supplies and expense	718
32	682 Professional services	3767
33	684 Insurance	5714
34	688 Regulatory commission expense	2454
35	689 General expenses	194
36	Total Operating Expenses	53378
37	403 Depreciation expense	64
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	149
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	55751
43	Utility Operating Income	
44	421 Non-utility income	112
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	
47	Net Income	26551

SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS

Location	No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped
Arroyo Seco River Bed	1	8	29	30	
Arroyo Seco River Bed	2	8	29	20	

OTHER

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted (Unit)
	Priority right	Claim	Capacity	Diversions	
			Max	Min	
Purchased water (unit)		none			
Supplier:					Annual quantity

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS

(if figures are available) (specify unit)

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business			
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Number at end of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor		15740		15740
49	670	Office salaries				
50	671	Management salaries				
51		Total		15740		15740

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	0
Additions during year	9110
Subtotal - Beginning balance plus additions during year	9110
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	9110

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

Size	Meters	Services
5/8 x 3/4-in	none	
3/4-in		
1-in		
-in		
-in		
Total		

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year		
1	Used, before repair...	none
2	Used, after repair	
3	Fast, requiring refund ..	
Numbers of meters in service requiring test per General Order No. 103		

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences			61					61
Industrial								
Other (specify)								
Subtotal								
Fire protection (Hydrants)								
Total			61					61

NOTE: Total connections (metered plus flat) should agree with total services in Schedule K.

SCHEDULE N - STORAGE FACILITIES

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	No.	Combined capacity in gallons	Description	Pipe Sizes				Totals
				2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)	
Concrete	1	19200	Cast Iron					
Earth			Welded steel					
Wood			Standard screw	5000				5000
Steel			Cement-asbestos					
Other			Plastic					
			Other (specify)					
Total			Total					

DECLARATION

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

I, the undersigned (officer, partner or owner) of _____ Arroyo Center Water Company, Inc. under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period

From and including _____ January 1, 2003 Thur December 31, 2003

Signed Collette Tigen
 Title President
 Date 24 Mar '04