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# SEWER UTILITIES

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## REVISED 2001 ANNUAL REPORT OF

INTERSTATE 5 UTILITY COMPANY, INC.

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

2000 · 18TH STREET

BAKERSFIELD, CA 93301

(OFFICIAL MAILING ADDRESS)

ZIP

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

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2002  
(FILE TWO COPIES IF THREE RECEIVED)

# REVISED CLASS D SEWER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

INTERSTATE 5 UTILITY COMPANY, INC.

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

2000 - 18TH STREET, BAKERSFIELD, CA 93301

(Official mailing address)

INTERSTATE 5 AND HIGHWAY 58, NEAR BUTTONWILLOW, KERN COUNTY

(Service area-town and county)

## GENERAL INFORMATION

RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES

- 1 If a corporation show:  
(A) Date of organization 10/25/1972 incorporated in the State of CALIFORNIA  
(B) Names, titles and addresses of principal officers:  
JAMES P. SEARS, PRESIDENT, 2000 - 18TH STREET, BAKERSFIELD, CA 93301
- 2 If unincorporated give the name and address of owner or of each partner:  
NOT APPLICABLE
- 3 Name and telephone number of:  
(A) One person listed above to receive correspondence: JAMES P. SEARS (661) 325-5981  
(B) Person responsible for operations and services: JAMES P. SEARS
- 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) YES  
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? \$2,800 MANAGEMENT FEE  
PAID TO DARDANA, INC., CHARGED TO ACCOUNT 671
- 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:  
JAMES P. SEARS, DARDANA, INC., HERBERT P. SEARS CO., INC., AND  
MCKITTRICK 5 PROPERTIES

### PUBLIC HEALTH STATUS

- 6 Has state or local health department inspection been made during the year?
- 7 Are routine laboratory tests of water being made?
- 8 Has state health department water supply permit been obtained? (Indicate date)
- 9 If no permit has been obtained, state whether application has been made and when.
- 10 Show expiration date if state permit is temporary.

Yes	No	Latest Date
X		
X		WEEKLY
X		Oct-01
		N/A
		N/A

# Sandra V. Steward

CERTIFIED PUBLIC ACCOUNTANT

10516 Loughton Avenue  
Bakersfield, CA 93311

svstewardcpa@ncinternet.net

Tel (661) 663-9921  
Fax (661) 663-9947

California Public Utilities Commission  
Water Division  
505 Van Ness Avenue, Room 3105  
San Francisco, CA 94102-3298

I have compiled the balance sheets of Interstate 5 Utility Co., Inc., as of January 1, 2001 and December 31, 2001, and the related statement of sewer income for the year ended December 31, 2001, and the related disclosures, in the accompanying prescribed forms in accordance with Statements for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

My compilation was limited to presenting in the form prescribed by the Public Utilities Commission - State of California, information that is the representation of the owner. I have not audited or reviewed the financial statements and related disclosures referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements, including related disclosures are presented in accordance with the requirements of the Public Utilities Commission - State of California, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

*Sandra V. Steward, CPA*

Sandra V. Steward, CPA  
May 20, 2002

REVISED  
 SELECTED FINANCIAL DATA - CLASS D SEWER COMPANIES  
 2001

NAME OF UTILITY INTERSTATE 5 UTILITY COMPANY, INC. PHONE (661) 663-9921

PERSON RESPONSIBLE FOR THIS REPORT SANDRA V. STEWARD, CPA  
 (Prepared from Information in the 2001 Annual Report)

<b>BALANCE SHEET DATA</b>	<b>1/1/01</b>	<b>12/31/01</b>	<b>Average</b>
1 Intangible Plant	<u>4,320</u>	<u>4,320</u>	<u>4,320</u>
2 Land and Land Rights			
3 Depreciable Plant	<u>494,363</u>	<u>508,745</u>	<u>501,554</u>
4 Gross Plant in Service	<u>498,683</u>	<u>513,065</u>	<u>505,874</u>
5 Less: Accumulated Depreciation	<u>(422,871)</u>	<u>(433,878)</u>	<u>(428,375)</u>
6 Net Water Plant in Service	<u>75,812</u>	<u>79,187</u>	<u>77,500</u>
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies			
10 Less: Advances for Construction	<u>( )</u>	<u>( )</u>	<u>( )</u>
11 Less: Contribution in Aid of Construction	<u>( )</u>	<u>( )</u>	<u>( )</u>
12 Less: Accumulated Deferred Income and Investment Tax Credits	<u>( )</u>	<u>( )</u>	<u>( )</u>
13 Net Plant Investment	<u>75,812</u>	<u>79,187</u>	<u>77,500</u>
<b>CAPITALIZATION</b>			
14 Common Stock	<u>154,453</u>	<u>154,453</u>	<u>154,453</u>
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	<u>18,911</u>	<u>9,805</u>	<u>14,358</u>
18 Common Stock and Equity (Lines 14 through 17)	<u>173,364</u>	<u>164,258</u>	<u>168,811</u>
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable	<u>38,757</u>	<u>44,708</u>	<u>41,733</u>
22 Total Capitalization (Lines 18 through 21)	<u>212,121</u>	<u>208,966</u>	<u>210,544</u>

(Revised 10/97)

**INCOME STATEMENT**

		Annual Amount
23	Unmetered Revenue	
24	Metered Revenue	<u>82,951</u>
25	Total Operating Revenue	<u>82,951</u>
26	<u>Operating Expenses</u>	<u>69,255</u>
27	Depreciation Expense (Composite Rate _____)	<u>5,145</u>
28	Amortization and Property Losses	
29	Property Taxes	<u>876</u>
30	Taxes Other Than Income Taxes	<u>1,094</u>
31	Total Operating Revenue Deduction Before Taxes	<u>76,370</u>
32	California Corp. Franchise Tax	<u>560</u>
33	Federal Corporate Income Tax	
34	Total Operating Revenue Deduction After Taxes	<u>76,930</u>
35	Net Operating Income (Loss) - California Water Operations	<u>6,021</u>
36	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>2,830</u>
37	Income Available for Fixed Charges	<u>8,851</u>
38	Interest Expense	
39	Net Income (Loss) Before Dividends	<u>8,851</u>
40	Preferred Stock Dividends	
41	Net Income (Loss) Available for Common Stock	<u>8,851</u>

**OTHER DATA**

42	Refunds of Advances for Construction	
43	Total Payroll Charged to Operating Expenses	<u>2,800</u>
44	Purchased Water	
45	Power	<u>20,773</u>

				Annual Average
<u>Active Service Connections</u>		(Exc. Fire Protect.)		
	Jan. 1	Dec. 31		
46	Metered Service Connections	<u>18</u>	<u>18</u>	<u>18</u>
47	Flat Rate Service Connections			
48	Total Active Service Connections	<u>18</u>	<u>18</u>	<u>18</u>

**REVISED**

**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2001)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service	513,065	201	Common Stock (Corporations only)	154,453
2	103	Plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Plant purchased or sold		215	Retained earnings	102,110
4	105	Plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of plant	(282,981)	224	Long term debt	
6	114	Plant acquisition adjustments			Current Liabilities	44,708
7	124	Other investments		252	Advances for construction	
8	131	Cash	102,085	253	Other deferred credits	
9	141	Accounts receivable - customers	24,199	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	3,427	283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	232,720
14				272	Accumulated amortization of contributions	(174,196)
15		<b>Total Assets</b>	<b>359,795</b>		<b>Total Equity and Liabilities</b>	<b>359,795</b>

**SCHEDULE B - SEWER 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	4,320				4,320
17	303	Land					-
18	304	Structures	86,925				86,925
19	307	Wells	20,641				20,641
20	317	Other source plant					-
21	311	Pumping equipment	43,155	14,383			57,538
22	320	Treatment plant	178,411				178,411
23	330	Reservoirs	13,075				13,075
24	331	Mains	3,145				3,145
25	333	Services and meter installations					-
26	334	Meters					-
27	339	Other equipment					-
28	340	Office furniture and equipment					-
29	341	Transportation equipment	575				575
30		<b>Total Plant in service</b>	<b>350,247</b>	<b>14,383</b>			<b>364,630</b>

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

**SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT**

Line	Item	Account 106 Plant	
32	Balance in reserves at beginning of year	157,733	A. Method used to compute depreciation
33	Add: Credits to reserves during year	2,148	expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	5,145	SL 50 YEARS
35	(b) Charged to Account No. 272		
36	(c) Charged to clearing accounts		B. Amount of depreciation expense claimed
37	(d) Salvage recovered		or to be claimed on utility property in
38	(e) All other credits		your federal income tax return for the year
39	Total credits	7,293	covered by this report \$ 10,726
40	Deduct: Debits to reserves during year		
41	(a) Book cost of property retired		
42	(b) Cost of removal		C. State method used to compute tax
43	(c) All other debits		depreciation.
44	Total debits	-	SL:15-25 YEARS
45	Balance in reserve at end of year	165,026	
46	(1) Explanation of all other credits		
47	(2) Explanation of all other debits		

**REVISED**

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2001)**

Line			
1	Common - (10 Shares @ \$100.00 Par)	1,000	List persons owning more than 5% of outstanding stock and number of shares owned by each: JAMES P. SEARS - 100%
2	Common - (153,453 Shares @ \$1.00 Par)	153,453	
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	N/A							
6								
7								
8	Totals							

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	XXXXXXXXXX
10	460 Unmetered revenue	
11	470 Metered revenue	82,951
12	480 Other revenue	
13	Total Operating Revenue	82,951
14	Operating revenue deductions	XXXXXXXXXX
15	Operating expenses	XXXXXXXXXX
16	610 Purchased water	
17	615 Power	20,773
18	618 Other volume related expenses	
19	630 Employee labor	
20	640 Materials	
21	650 Contract work	19,748
22	660 Transportation expenses	
23	664 Other plant maintenance expense	2,130
24	670 Office salaries	
25	671 Management salaries	2,800
26	674 Employee pensions and benefits	
27	676 Uncollectible accounts expense	360
28	678 Office services and rentals	11,760
29	681 Office supplies and expense	
30	682 Professional services	7,178
31	684 Insurance	4,033
32	688 Regulatory commission expense	
33	689 General expenses	473
34	Total Operating Expenses	69,255
35	403 Depreciation expense	5,145
36	408 Taxes other than income taxes	1,970
37	409 State corporate income tax expense	560
38	410 Federal corporate income tax expense	
39	Total Operating Revenue Deductions	76,930
40	Utility Operating Income	6,021
41	421 Non-utility income	2,830
42	426 Miscellaneous non-utility expense	
43	427 Interest expense	
44	Net Income	8,851

**SCHEDULE G - 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
45	630	Employee Labor				
46	670	Office salaries				
47	671	Management salaries	1	2,800		2,800
48		Total	1	2,800		2,800

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**SCHEDULE H - ADVANCES FOR CONSTRUCTION**

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

**SCHEDULE I - TOTAL METERS AND SERVICES (active and inactive)**

Size	Meters	Services
-in		
-in		
1-in	6	
2-in	6	
3-in	6	
Total	18	

**SCHEDULE J - METER-TESTING DATA**

Number of meters tested during year		
1	Used, before repair...	2
2	Used, after repair .....	2
3	Fast, requiring refund ..	0

**SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR**

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences								
Industrial								
Other (specify)								
BUSINESS	18		18				18	
Total	18		18				18	

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

**SCHEDULE L - STORAGE FACILITIES**

**SCHEDULE M - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)**

Description	No.	Combined capacity in gallons		Description	2" and under	2 1/4 to 3 1/4	4"	Other sizes (specify)		Totals
								6"	8"	
Concrete				Cast Iron						
Earth				Welded steel						
Wood				Standard screw						
Steel-CONCRETE	1	60,000		Cement-asbestos			700	700	4,720	6,120
Other				Plastic						
METAL WATER	2	80,000	40K each	Other (specify)						
COLL/REV	1	50,000		CLAY SEWER					7,000	7,000
				PVC WATER					1,880	1,880
Total	4	190,000		Total			700	700	13,600	15,000

**DECLARATION**

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

I, the undersigned (officer, partner or owner) of INTERSTATE 5 UTILITY 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, 2001, to and including DECEMBER 31, 2001

Signed *James Deane*  
 PRESIDENT  
 Title  
 Date 5-21-02