

7 44

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

**CLASS D  
WATER UTILITIES**

U# \_\_\_\_\_

**2001  
ANNUAL REPORT  
OF**

**LITTLE BEAR WATER COMPANY, INC.**

**SEWER DIVISION**

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

**51201 PINE CANYON RD., #125**

**KING CITY, CA 93930**

(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)

**Summary of Earnings  
Test Year 2001**

<b>Account Number</b>	<b>Operating Revenue</b>	
471	Sewer Revenue	163,283
	<b>Total Revenue</b>	163,283
	<b>Operating Expenses</b>	
610	Purchased Water	
615	Purchased Power	19,768
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol.Related exp.	
630	Employee Labor	16,322
640	Materials	4,110
650	Contract Work	2,528
	Water Testing	
660	Transportation Expenses	4,185
664	Other Plant Maintenance	954
670	Office Salaries	8,776
671	Management Salaries	13,837
674	Employee Pensions and Benefits	
676	Uncollectibles	303
678	Office Service and Rentals	3,520
681	Office Supplies and Exp.	3,897
682	Professional Services	2,938
684	Insurance	6,540
688	Regulatory Expense	2,864
689	General Expense	2,104
	<b>Sub Total</b>	92,646
403	Depreciation Expense	11,702
	Payroll taxes	3,171
	Ad Valorem Taxes	5,486
408	Taxes other than Income	3,129
409	State Income Tax	3,814
410	Federal Income Tax	8,659
	<b>Total Deductions</b>	128,607
	<b>Net Revenue</b>	34,676
	<b>Rate Base</b>	
	Average Plant	727,565
	Average Depreciation Reserve	(268,206)
	Net Plant	459,359
	Less:Advances	
	Less:Contributions	(100,754)
	Plus:Construction Work in Progress	
	Plus:Working Cash	7,720
	Plus:Materials &Supplies	
	<b>Rate Base</b>	366,325
	<b>ROR=Net Rev/Rate Base</b>	9.47%

**CLASS D WATER UTILITIES**  
(HAVING LESS THAN 500 SERVICE CONNECTIONS)

LITTLE BEAR WATER COMPANY, INC.

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

51201 PINE CANYON ROAD, #125, KING CITY, CA 93930

(Official mailing address)

KING CITY, MONTEREY COUNTY

(Service area-town and county)

**GENERAL INFORMATION**

RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES

- 1 If a corporation show:
  - (A) Date of organization \_\_\_\_\_ incorporated in the State of California
  - (B) Names, titles and addresses of principal officers: Albin Morisoli, President  
Jim Salmina, Vice-President, David Morisoli, Secretary
- 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:
  - (B) Person responsible for operations and services: Richard Hiwa, General Manager  
(831) 385-3524
- 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?
- 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:

**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		Dec-01
x		

**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  
2001

NAME OF UTILITY Little Bear Water Company, Inc. PHONE (831)385-3524  
"Sewer Division"

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

	1/1/01	12/31/01	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant			
2 Land and Land Rights	<u>110,069</u>	<u>110,069</u>	<u>110,069</u>
3 Depreciable Plant	<u>605,533</u>	<u>629,459</u>	<u>617,496</u>
4 Gross Plant in Service	<u>715,602</u>	<u>739,528</u>	<u>727,565</u>
5 Less: Accumulated Depreciation	<u>(262,824)</u>	<u>(273,588)</u>	<u>(268,206)</u>
6 Net Water Plant in Service	<u>452,778</u>	<u>465,940</u>	<u>459,359</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>(103,575)</u>	<u>(97,933)</u>	<u>(100,754)</u>
12 Less: Accumulated Deferred Income and Investment Tax Credits			
13 Net Plant Investment	<u>349,203</u>	<u>368,007</u>	<u>358,605</u>
 <b>CAPITALIZATION</b>			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	<u>293,390</u>	<u>293,390</u>	<u>293,390</u>
17 Retained Earnings	<u>86,703</u>	<u>117,377</u>	<u>102,040</u>
18 Common Stock and Equity (Lines 14 through 17)	<u>380,093</u>	<u>410,767</u>	<u>395,430</u>
19 Preferred Stock			
20 Long-Term Debt	<u>45,715</u>	<u>41,282</u>	<u>43,499</u>
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	<u>425,808</u>	<u>452,049</u>	<u>438,929</u>

(Revised 2/01)

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

(continued)

NAME OF UTILITY Little Bear Water Company, Inc.      PHONE (831) 385-3524

	Annual Amount
<b>INCOME STATEMENT</b>	
23 Unmetered Water Revenue	_____
24 Fire Protection Revenue	_____
25 Sewer Revenue	<u>163,283</u>
26 Metered Water Revenue	_____
27 Total Operating Revenue	<u>163,283</u>
28 <u>Operating Expenses</u>	<u>92,646</u>
29 Depreciation Expense (Composite Rate 2.8%)	<u>11,702</u>
30 Amortization and Property Losses	_____
31 Property Taxes	<u>5,486</u>
32 Taxes Other Than Income Taxes	<u>6,300</u>
33 Total Operating Revenue Deduction Before Taxes	<u>116,134</u>
34 California Corp. Franchise Tax	<u>3,814</u>
35 Federal Corporate Income Tax	<u>8,659</u>
36 Total Operating Revenue Deduction After Taxes	<u>128,607</u>
37 Net Operating Income (Loss) - California Water Operations	<u>34,676</u>
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	_____
39 Income Available for Fixed Charges	_____
40 Interest Expense	<u>4,002</u>
41 Net income (Loss) Before Dividends	<u>30,674</u>
42 Preferred Stock Dividends	_____
43 Net Income (Loss) Available for Common Stock	<u>30,674</u>

<b>OTHER DATA</b>		Annual
44 Refunds of Advances for Construction		<u>0</u>
45 Total Payroll Charged to Operating Expenses		<u>38,935</u>
46 Purchased Water		<u>0</u>
47 Power		<u>19,768</u>

<u>Active Service Connections</u>	(Exc. Fire Protect.) _____	Jan. 1	Dec. 31	Annual Average
48 Metered Service Connections		_____	_____	_____
49 Flat Rate Service Connections		<u>392</u>	<u>393</u>	<u>393</u>
50 Total Active Service Connections		<u>392</u>	<u>393</u>	<u>393</u>

**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: \_\_\_\_\_ N/A  
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					
				N/A			
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, 2001)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Sewer plant in service	739,528	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Excess sewer assets over liabilities	293,390
3	104	Water plant purchased or sold		215	Retained earnings	117,377
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of Sewer plant	(273,588)	224	Long term debt	41,282
6	114	Water plant acquisition adjustments			Current Liabilities	1,570
7	124	Other investments		252	Advances for construction	
8	131	Cash		253	Inter-division accounts payable	(66,024)
9	141	Accounts receivable - customers	11,329	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	200	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	8,059	271	Contributions in aid of construction	201,500
14				272	Accumulated amortization of contributions	(103,567)
15		<b>Total Assets</b>	<b>485,528</b>		<b>Total Equity and Liabilities</b>	<b>485,528</b>

**SCHEDULE B - WATER PLANT IN SERVICE**

.....	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	110,069				110,069
18	304	Structures	3,301				3,301
19	307	Fencing	11,682				11,682
20	308	Sierra Vista Sewer System	201,500				201,500
21	311	Sewer Pumps	24,200	5,230			29,430
22	317	Aereators	13,878	1,704	1,400		14,182
23	320	Filter System-Sprayfield	980				980
24	330	Reservoir	11,678	4,888			16,566
25	331	Effluent mains	287,359				287,359
26	331	Sprayfield piping	28,095				28,095
27	335						
28	339	Other Sewer equipment	3,534	8,839	3,900		8,473
29	340	Office furniture and equipment	3,374	645	1,280		2,739
30	341	Transportation equipment	15,952	9,200			25,152
31		<b>Total Sewer plant in service</b>	<b>715,602</b>	<b>30,506</b>	<b>6,580</b>		<b>739,528</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 Water Plant	Account 106.1 SDWBA Loans	
32	Balance in reserves at beginning of year	262,824		A. Method used to compute depreciation
33	Add: Credits to reserves during year			expense (Acct. 403) and rate.
34	(a) Charged to Account No. 403	11,702		SL Remaining Life: 2.8%
35	(b) Charged to Account No. 272	5,642		
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	<b>Total credits</b>	<b>17,344</b>		covered by this report \$
40	Deduct: Debits to reserves during year			
41	(a) Book cost of property retired	6,580		
42	(b) Cost of removal			C. State method used to compute tax
43	(c) All other debits			depreciation: SL, DB
44	<b>Total debits</b>	<b>6,580</b>		
45	<b>Balance in reserve at end of year</b>	<b>273,588</b>		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

Note: Plant retirement in compliance with Resolution No. W-4312

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

Line				
1	Common - (Shares	\$	par)	List persons owning more than 5% of outstanding stock and number of shares owned by each:
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	GMAC Financial	May-96	May-02	13,500	8,641	11.50%		504
6	Caterpillar	12-Aug	Jul-06	23,000	4,215	12.99%		35
7	Community Bank	Sep-98	3-Sep	70,000	28,426	10.25%		3,455
8	Totals			106,500	41,282			3,994

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxxx
10	460 Unmetered water revenue	
11	462 Fire protection revenue	
12	465 Sewer revenue	163,283
13	470 Metered water revenue	
14	480 Other water revenue	
15	Total Operating Revenue	
16	Operating revenue deductions	163,283
17	Operating expenses	xxxxxxxxxxx
18	610 Purchased water	
19	615 Power	19,768
20	618 Other volume related expenses	
21	630 Employee labor	16,322
22	640 Materials	4,110
23	650 Contract work	2,528
24	660 Transportation expenses	4,185
25	664 Other plant maintenance expense	954
26	670 Office salaries	8,776
27	671 Management salaries	13,837
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	303
30	678 Office services and rentals	3,520
31	681 Office supplies and expense	3,897
32	682 Professional services	2,938
33	684 Insurance	6,540
34	688 Regulatory commission expense	2,864
35	689 General expenses	2,104
36	Total Operating Expenses	92,646
37	403 Depreciation expense	11,702
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	11,786
40	409 State corporate income tax expense	3,814
41	410 Federal corporate income tax expense	8,659
42	Total Operating Revenue Deductions	128,607
43	Utility Operating Income	34,676
44	421 Non-utility income	
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	4,002
47	Net Income	30,674

**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

**OTHER**

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted (Unit)
	Priority right		Diversions		
	Claim	Capacity	Max	Min	
Purchased water (unit)					Annual quantity
Supplier:					

**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	2	16,322		16,322
49	670	Office salaries	1	8,776		8,776
50	671	Management salaries	4	13,837		13,837
51		Total	7	38,935		38,935

**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

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

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

Size	Meters	Services
5/8 x 3/4-in		
3/4-in		
1-in		
-in	N/A	
-in		
Total		

**SCHEDULE L - METER-TESTING DATA**

Number of meters tested during year	
1	Used, before repair... _____
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		393	393					393
Industrial								
Other (specify)								
Subtotal		393	393					393
Fire protection (Hydrants)								
Total		393	393					393

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

**SCHEDULE N - STORAGE FACILITIES**

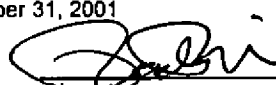
**SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)**

Description	No.	Combined capacity in gallons	Description	2" and under				Other sizes (specify)	Totals
				2 1/4 to 3 1/4	4"				
Concrete			Cast Iron						
Earth			Welded steel						
Wood			Standard screw						
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 Little Bear Water Company, Inc. (Name of utility), 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 \_\_\_\_\_  
 Title General Manager  
 Date 03/28/02  
 Date \_\_\_\_\_