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Examined _____

# SEWER UTILITIES

U# 214-SWR

## 2003 ANNUAL REPORT OF

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LITTLE BEAR WATER COMPANY, INC.

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SEWER DIVISION

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

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51201 PINE CANYON ROAD, #125

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K I N G C I T Y , C A 93930

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(OFFICIAL MAILING ADDRESS)

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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.

# CLASS D SEWER 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:
  
- 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-03
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 - Sewer 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 D SEWER COMPANIES  
2003

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 2003 Annual Report)

	1/1/03	12/31/03	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant			
2 Land and Land Rights	110,069	110,069	110,069
3 Depreciable Plant	645,322	647,899	646,610
4     Gross Plant in Service	755,391	757,968	756,679
5 Less: Accumulated Depreciation	(292,710)	(297,326)	(295,018)
6     Net Water Plant in Service	462,681	460,642	461,661
7 Water Plant Held for Future Use			
8 Construction Work in Progress			
9 Materials and Supplies			
10 Less: Advances for Construction	( )	( )	
11 Less: Contribution in Aid of Construction	(91,888)	(85,843)	(88,865)
12 Less: Accumulated Deferred Income and Investment Tax Credits	( )	( )	( )
13 Net Plant Investment	370,793	374,799	372,796
 <b>CAPITALIZATION</b>			
14 Common Stock			
15 Excess Sewer Assets Over Liabilities	293,390	293,390	293,390
16 Paid-in Capital			
17 Retained Earnings	158,572	190,381	174,476
18     Common Stock and Equity (Lines 14 through 17)	451,962	483,771	467,866
19 Preferred Stock			
20 Long-Term Debt	8,983	5,486	7,235
21 Notes Payable			
22     Total Capitalization (Lines 18 through 21)	460,945	489,257	475,101

(Revised 10/97)

NAME OF UTILITY Little Bear Water Company, Inc.  
Sewer Division

PHONE (831) 385-35824

<b>INCOME STATEMENT</b>		Annual Amount
23	Unmetered Revenue	<u>210,521</u>
24	Metered Revenue	
25	Total Operating Revenue	<u>210,521</u>
26	<u>Operating Expenses</u>	<u>133,426</u>
27	Depreciation Expense (Composite Rate: 3%)	<u>13,353</u>
28	Amortization and Property Losses	
29	Property Taxes	<u>8,591</u>
30	Taxes Other Than Income Taxes	<u>7,841</u>
31	Total Operating Revenue Deduction Before Taxes	<u>163,211</u>
32	California Corp. Franchise Tax	<u>4,079</u>
33	Federal Corporate Income Tax	<u>10,250</u>
34	Total Operating Revenue Deduction After Taxes	<u>177,540</u>
35	Net Operating Income (Loss) - California Water Operations	<u>32,981</u>
36	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>236</u>
37	Income Available for Fixed Charges	<u>32,745</u>
38	Interest Expense	<u>937</u>
39	Net Income (Loss) Before Dividends	<u>31,808</u>
40	Preferred Stock Dividends	<u>0</u>
41	Net Income (Loss) Available for Common Stock	<u>31,808</u>

<b>OTHER DATA</b>		
42	Refunds of Advances for Construction	<u>N/A</u>
43	Total Payroll Charged to Operating Expenses	<u>47,036</u>
44	Purchased Water	<u>N/A</u>
45	Power	<u>31,350</u>

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

**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2002)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service	757,968	201	Common Stock (Corporations only)	
2	103	Plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Plant purchased or sold		215	Retained earnings	190,381
4	105	Plant construction work in progress	22,118	218	Excess sewer assets over liabilities	293,390
5	108	Accumulated depreciation of plant	(297,326)	224	Long term debt	5,486
6	114	Plant acquisition adjustments			Current Liabilities	1,610
7	124	Other investments		252	Advances for construction	
8	131	Cash		253	Inter-division accounts payable	(79,273)
9	141	Accounts receivable - customers	14,677	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	201,500
14				272	Accumulated amortization of contributions	(115,657)
15		<b>Total Assets</b>	<b>497,437</b>		<b>Total Equity and Liabilities</b>	<b>497,437</b>

**SCHEDULE B - SEWER PLANT IN SERVICE**

Line	Acct	Title of Account	Balance Beg of Year	Pit Additions During year	Pit 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	4,564				4,564
19	307	Fencing	11,682				11,682
20	308	Sierra Vista Sewer System	201,500				201,500
21	311	Sewer Pumps	37,568	9,053	(11,000)		35,621
22	317	Aereators	14,182				14,182
23	320	Filter System-Sprayfield	980				980
24	330	Reservoirs and Ponds	17,738				17,738
25	331	Effluent Mains	287,359				287,359
	307	Effluent Wells	0	3,950			3,950
26	331	Sprayfield Piping	28,095		(600)		27,495
27	339	Other Sewer Equipment	12,196	1,279			13,475
28	340	Office furniture and equipment	4,306	1,135	(3,182)		2,259
29	341	Transportation equipment	25,152	1,942			27,094
30		<b>Total Plant in service</b>	<b>755,391</b>	<b>17,359</b>	<b>(14,782)</b>		<b>757,968</b>

\* Debt 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	292,710	A. Method used to compute depreciation
33	Add: Credits to reserves during year		expense (Acct. 403) and rate: 3%
34	(a) Charged to Account No. 403	13,353	
35	(b) Charged to Account No. 272	6,045	
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>19,398</b>	covered by this report \$
40	Deduct: Debits to reserves during year		
41	(a) Book cost of property retired	(14,782)	
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>		
45	<b>Balance in reserve at end of year</b>	<b>297,326</b>	
46	(1) Explanation of all other credits		
47	(2) Explanation of all other debits		

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 2002)**

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	Caterpillar Financial-Generator	May-96	May-03	11,502	0	11.5		77
6	GMAC Financial-Utility Truck	Oct-01	Sep-03	23,000	5,486	10		833
7								
8	Totals				5,486			910

**SCHEDULE F - INCOME STATEMENT**

9		Operating revenues	xxxxxxxxxx
10	460	Sewer revenue	210,521
11	470	Metered revenue	
12	480	Other revenue	
13		Total Operating Revenue	210,521
14		Operating revenue deductions	xxxxxxxxxx
15		Operating expenses	xxxxxxxxxx
16	610	Purchased water	
17	615	Power	37,305
18	618	Other volume related expenses	
19	630	Employee labor	20,314
20	640	Materials	4,730
21	650	Contract work	593
22	660	Transportation expenses	3,961
23	664	Other plant maintenance expense	5,618
24	670	Office salaries	10,563
25	671	Management salaries	16,159
26	674	Employee pensions and benefits	4,541
27	676	Uncollectible accounts expense	0
28	678	Office services and rentals	3,840
29	681	Office supplies and expense	5,294
30	682	Professional services	3,377
31	684	Insurance	9,364
32	688	Regulatory commission expense	3,860
33	689	General expenses	3,907
34		Total Operating Expenses	133,426
35	403	Depreciation expense	13,353
36	408	Taxes other than income taxes	16,432
37	409	State corporate income tax expense	4,079
38	410	Federal corporate income tax expense	10,250
39		Total Operating Revenue Deductions	177,540
40		Utility Operating Income	32,981
41	421	Non-utility income	0
42	426	Miscellaneous non-utility expense	236
43	427	Interest expense	937
44		Net Income	31,808

**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	2	20,314	2,854	23,168
46	670	Office salaries	1	10,563		10,563
47	671	Management salaries	4	16,159		16,159
48		Total	7	47,036	2,854	49,890



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

Size	Meters	Services
-in		
-in		
-in	N/A	
-in		
-in		
Total		

**SCHEDULE J - METER-TESTING DATA**

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

**SCHEDULE K - 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)								
Total		393	393			393		

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
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, 2003, to and including December 31, 2003.



Signed  
General Manager

Title  
03/29/04

Date