

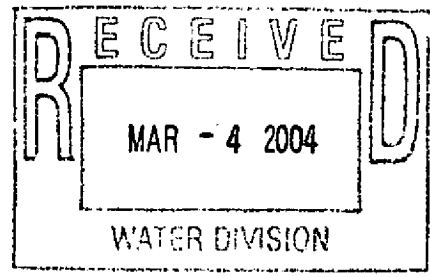
ORIGINAL

J4

Received _____
Examined _____

CLASS D  
WATER UTILITIES

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



2003  
ANNUAL REPORT  
OF

POINT ARENA WATER WORKS, INC.

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

\_\_\_\_\_  
P. O. BOX 205, POINT ARENA, CA 95468

(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)

Account Number	Operating Revenue	
470	Metered	178,915
460	Unmetered	
465	Irrigation	
<del>362-480</del>	<del>Professional Services</del> Other	3,782
	<b>Total Revenue</b>	<b>182,697</b>
	<b>Operating Expenses</b>	
610	Purchased Water	
615	Purchased Power	15,893
	Pump Taxes	
	Purchased Chemicals	
618	Other Vol. Related exp.	563
630	Employee Labor	5,328
640	Materials	2,139
650	Contract Work	8,504
	Water Testing	
660	Transportation Expense	9,945
664	Other Plant Maintenance	5,365
670	Office Salaries	21,917
671	Management Salaries	22,120
674	Employee Pensions and Benefits	
676	Uncollectables	3,771
678	Office Service and Rentals	6,000
681	Office Supplies and Expense	1,824
682	Professional Services	15,296
684	Insurance	6,793
688	Regulatory Expense	34,870
689	General Expense	2,808
	<b>Subtotal</b>	<b>163,136</b>
403	Depreciation Expense	11,866
	Ad Valorem Taxes	2,529
	Payroll taxes	4,909
408	Taxes other than income	1,020
409	State Income Tax	800
410	Federal Income Tax	
	<b>Total Deductions</b>	<b>184,260</b>
	<b>Net Revenue &lt;Loss&gt;</b>	<b>&lt;1,563&gt;</b>
	<b>Rate Base</b>	

	Average Plant	393,294
	Average Depreciation Reserve	119,640
	Net Plant	273,654
	Less: Advances	
	Less: Contributions	
	Plus: Construction Work in Progress	
	Plus: Working Cash	<9,444
	Plus: Material & Supplies	
	<b>Rate Base</b>	264,210
	<b>ROR=Net Rev/Rate Base</b>	

# CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

Point Arena Water Works, Inc.

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

P. O. Box 205, Point Arena, CA 95468

(Official mailing address)

City of Point Arena and Vicinity, Mendocino County

(Service area-town and county)

## GENERAL INFORMATION

RETURN ORIGINAL  
TO COMMISSION  
NO PHOTOCOPIES

- 1 If a corporation show:
  - (A) Date of organization 2/2/84 incorporated in the State of California
  - (B) Names, titles and addresses of principal officers:  
William G Hay, Jr. President
- 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: William G Hay, Jr. (707)882-2323
- 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: N/A

### 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		7/31/03
X		12/24/03
X		9/1955

SPECIAL INSTRUCTIONS (over)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES  
2003

NAME OF UTILITY Point Arena Water Works PHONE (707) 882-2323

PERSON RESPONSIBLE FOR THIS REPORT William G Hay, Jr.  
(Prepared from Information in the 2003 Annual Report)

	1/1/ <u>03</u>	12/31/ <u>03</u>	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant	13007	13007	13007
2 Land and Land Rights			
3 Depreciable Plant	1316543	1321117	1318830
4 Gross Plant in Service	1329550	1334124	1331837
5 Less: Accumulated Depreciation	384218	410901	397560
6 Net Water Plant in Service	945332	923223	934277
7 Water Plant Held for Future Use	3106	3106	3106
8 Construction Work in Progress			
9 Materials and Supplies			
10 Less: Advances for Construction	( )	( )	( )
11 Less: Contribution in Aid of Construction	(764861)	(764861)	(764861)
12 Less: Accumulated Deferred Income and Investment Tax Credits	( )	( )	( )
13 Net Plant Investment	183577	161468	172522
<b>CAPITALIZATION</b>			
14 Common Stock	120,000	120,000	120,000
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital	48,865	48,865	48,865
17 Retained Earnings	<148,878>	<156,316>	<152,597>
18 Common Stock and Equity (Lines 14 through 17)	19,987	12,549	16,268
19 Preferred Stock			
20 Long-Term Debt	90,633	54,428	72,531
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	110,620	66,977	88,799

(Revised 2/01)

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

20 03  
(continued)

NAME OF UTILITY Point Arena Water Works PHONE (707)882-2323

**INCOME STATEMENT**

	Annual Amount
23 Unmetered Water Revenue	3782
24 Fire Protection Revenue	_____
25 Irrigation Revenue	_____
26 Metered Water Revenue	178,915
27 Total Operating Revenue	182,697
28 <u>Operating Expenses</u>	
29 Depreciation Expense (Composite Rate _____)	11,866
30 Amortization and Property Losses	_____
31 Property Taxes	_____
32 Taxes Other Than Income Taxes	8,458
33 Total Operating Revenue Deduction Before Taxes	183,460
34 California Corp. Franchise Tax	800
35 Federal Corporate Income Tax	_____
36 Total Operating Revenue Deduction After Taxes	184,260
37 Net Operating Income (Loss) - California Water Operations	<1,563>
38 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	123
39 Income Available for Fixed Charges	_____
40 Interest Expense	5,998
41 Net Income (Loss) Before Dividends	<7,438>
42 Preferred Stock Dividends	_____
43 Net Income (Loss) Available for Common Stock	<7,438>

**OTHER DATA**

44 Refunds of Advances for Construction	_____
45 Total Payroll Charged to Operating Expenses	49,365
46 Purchased Water	_____
47 Power	15,893

	<u>Active Service Connections</u>	(Exc. Fire Protect.) _____	Annual		
			Jan. 1	Dec. 31	Average
48	Metered Service Connections		181	181	181
49	Flat Rate Service Connections		181	181	181
50	Total Active Service Connections		181	181	181

**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: \_\_\_\_\_ Not Applicable \_\_\_\_\_  
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: **Not Applicable**

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-depreicable 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 depreicable 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	1334124	201	Common Stock (Corporations only)	120000
2	103	Water plant held for future use	3106	211	Other paid-in capital (Corporations only)	48865
3	104	Water plant purchased or sold		215	Retained earnings	156316
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	410901	224	Long term debt	54428
6	114	Water plant acquisition adjustments			Current Liabilities	324637
7	124	Other investments		252	Advances for construction	31187
8	131	Cash	9444	253	Other deferred credits	16218
9	141	Accounts receivable - customers	23901	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	4851	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	44679	271	Contributions in aid of construction	764861
14	132	Special Use Account	16328	272	Accumulated amortization of contributions	197236
15		Total Assets	1006644		Total Equity and Liabilities	1006644

**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	13007				13007
17	303	Land					
18	304	Structures	98962				98962
19	307	Wells	45543				45543
20	317	Other water source plant	22580				22580
21	311	Pumping equipment	203162				203162
22	320	Water treatment plant	18367				18367
23	330	Reservoirs tanks and sandpipes	66986	3782			70768
24	331	Water mains	741254				741254
25	333	Services and meter installations	18063				18063
26	334	Meters	17614	792			18406
27	335	Hydrants	52376				52376
28	339	Other equipment	17711				17711
29	340	Office furniture and equipment	6328				6328
30	341	Transportation equipment	7597				7597
31		Total water plant in service	1329550	4574			1334124

\* Debt 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	384218		A. Method used to compute depreciation.
33	Add: Credits to reserves during year			expense (Acct. 403) and rate: 2% S/L
34	(a) Charged to Account No. 403	11866		
35	(b) Charged to Account No. 272	14817		
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	410901		covered by this report \$
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. S/L - DDB
44	Total debits			
45	Balance in reserve at end of year	410901		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

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

Line	Common (Shares 12000, \$ 10 par)	120000	List persons owning more than 5% of outstanding stock and number of shares owned by each:
1	Common (Shares 12000, \$ 10 par)	120000	
2	Preferred (Shares, \$ par)		
3	Dividends - Common Rate - \$		William G Hay, Jr. & Karen J Hay 12,000
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	SBA Loan	1978	2008	171000	37,561	2.75%		1,241
6	CIT	2/20/99	12/04	16700	4,019	9.5%		525
7	Bed Rock, Inc.	11/21/00	2/09	37458	12,848	9.5%		4232
8	Totals			225158	54,428			5998

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered water revenue	
11	462 Fire protection revenue	
12	465 Irrigation revenue	
13	470 Metered water revenue	178,915
14	480 Other water revenue	3,782
15	Total Operating Revenue	182,697
16	Operating revenue deductions	xxxxxxxxxx
17	Operating expenses	xxxxxxxxxx
18	610 Purchased water	
19	615 Power	15,893
20	618 Other volume related expenses	563
21	630 Employee labor	5,328
22	640 Materials	2,139
23	650 Contract work	8,504
24	660 Transportation expenses	9,945
25	664 Other plant maintenance expense	5,365
26	670 Office salaries	21,917
27	671 Management salaries	22,120
28	674 Employee pensions and benefits	
29	676 Uncollectible accounts expense	3,771
30	678 Office services and rentals	6,000
31	681 Office supplies and expense	1,824
32	682 Professional services	15,296
33	684 Insurance	6,793
34	688 Regulatory commission expense	34,870
35	689 General expenses	2,808
36	Total Operating Expenses	163,136
37	403 Depreciation expense	11,866
38	407 SDWBA loan amortization expense	
39	408 Taxes other than income taxes	8,458
40	409 State corporate income tax expense	800
41	410 Federal corporate income tax expense	
42	Total Operating Revenue Deductions	184,260
43	Utility Operating Income <Loss>	<1,563>
44	421 Non-utility income	123
45	426 Miscellaneous non-utility expense	
46	427 Interest expense	5,998
47	Net Income <Loss>	<7,438>

**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
Garcia River	1	24	18	37	-0-
Garcia River	2	12	15	110	1707162
Whiskey Shoals	1	8	45	5	-0-
Whiskey Shoals	2	8	103	3	16727

**OTHER**

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted (Unit)	
	Priority right	Diversions		
	Claim	Capacity	Max	Min
N/A				
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 July	Min. mo. Mo. of Feb	Cu Ft Total for year
Residential & business	152912	90640	1,394,380
Industrial	19275	7832	2165,700
Public authorities			
Irrigation			
Other (specify)			
Total	172187	98472	1,560,080

**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	1	5,328		5,328
49	670	Office salaries	2	21,917		21,917
50	671	Management salaries	1	22,120		22,120
51		Total	4	49,365		49,365

**SCHEDULE J - ADVANCES FOR CONSTRUCTION**

Balance beginning of year	31,187
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	31,187

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

Size	Meters	Services
5/8 x 3/4-in	177	177
3/4-in	9	9
1-in	12	12
-in	8	8
-in	4	4
<b>Total</b>	<b>210</b>	<b>210</b>

**SCHEDULE L - METER-TESTING DATA:**

Number of meters tested during year	
1 Used, before repair...	12
2 Used, after repair ..	Replaced
3 Fast, requiring refund ..	None
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	98		98	21		21	119	
Multi Family	23		23	2		2	25	
Industrial	2		2				2	
Other (specify)								
Commercial	58		58	6		6	64	
Subtotal	181		181	29		29	210	
Fire protection (Hydrants)								
<b>Total</b>	<b>181</b>		<b>181</b>	<b>29</b>		<b>29</b>	<b>210</b>	

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 2 1/4" to 12"					Totals
				2" and under	2 1/4" to 3 1/4"	4"	6"	8" 12" Other sizes (specify)	
Concrete	1	285,000	Cast Iron						
Earth			Welded steel					300	300
Wood	3	272,000	Standard screw	550					550
Steel			Cement-asbestos		600	5700	7500	500	14300
Other			Plastic	1400	760	600	14450	4700	10100
			Other (specify)						
<b>Total</b>			<b>Total</b>	<b>1950</b>	<b>1360</b>	<b>6300</b>	<b>21950</b>	<b>5500</b>	<b>10100</b>

**DECLARATION**

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

I, the undersigned (officer, partner or owner) of Point Arena Water Works, 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 Jan. 1, 2003 to and including Dec. 31, 2003

Signed

Title

Date

*William G. ...*  
President

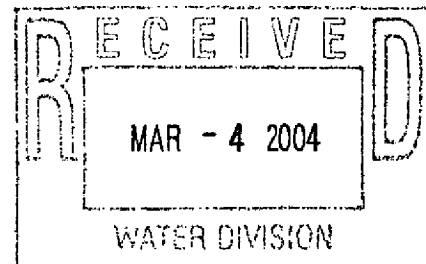
March 1, 2004

WILLIAM G. FLECKLES, ESQ  
#2 WILLIAMSON COURT  
NOVATO, CA 94947

Telephone: (415) 898-4123

Facsimile: (415) 898-6163

March 3, 2004



California Public Utilities Commission  
State Building, Room 3105  
505 Van Ness Avenue  
San Francisco, CA 94102  
ATTN: Mr. Kenneth K. Louie, Water Division

Re: Point Arena Water Works, Inc.  
2003 Annual Report  
Our File No. 5068 C

Dear Sir:

We herewith submit for filing the Original and one copy of the 2003 Annual Report of Point Arena Water Work, Inc.

We enclose two copies to be filed "Received" by the Water Division and returned to this writer and to Mr. William Hay, Jr. in the self-addressed envelopes provided.

We are enclosing copies of said Annual Report for Ms. Izetta Jackson, Mr. Fred Curry and ALJ Maribeth A. Bushey. Thank you for distributing same.

Yours very truly,

  
William G. Fleckles, Esq.

cc: Joseph Brecher, Esq.  
Point Arena City Attorney

William G. Hay, Jr.