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SEWER UTILITIES

U# _____

2001
ANNUAL REPORT
OF

SPRECKELS

WATERTEK INC.

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

P.O. Box 6040

SALINAS CA 93912-6040

(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)

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)

WATERTEK, INC. - SPRECKELS

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

P.O. BOX 6040 SALINAS CA 93912-6040

(Official mailing address)

SPRECKELS, 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 1969 incorporated in the State of CALIFORNIA

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

RAYMOND L. SMITH, CEO } 1633 HARROD WAY SALINAS CA 93906
ESTHER I. SMITH, CFO }

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: } RAYMOND L. SMITH (831) 444-8000

(B) Person responsible for operations and services:

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? (WASTE WATER)

8 Has state RWQCB 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		ANNUAL 12/01
X		RWQCB
X		2001
		N/A
		N/A

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

20 01

NAME OF UTILITY WATERTEK, INC. - SPRECKELS

PHONE (831) 444-8000

PERSON RESPONSIBLE FOR THIS REPORT RAYMOND L. SMITH

(Prepared from Information in the 2001 Annual Report)

BALANCE SHEET DATA		1/1/___	12/31/___	Average
1	Intangible Plant	_____	_____	_____
2	Land and Land Rights	_____	_____	_____
3	Depreciable Plant	_____	_____	_____
4	Gross Plant in Service	_____	_____	_____
5	Less: Accumulated Depreciation	_____	_____	_____
6	Net Water Plant in Service	_____	_____	_____
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	(_____)	(_____)	(_____)
12	Less: Accumulated Deferred Income and Investment Tax Credits	(_____)	(_____)	(_____)
13	Net Plant Investment	=====	=====	=====
CAPITALIZATION				
14	Common Stock	_____	_____	_____
15	Proprietary Capital (Individual or Partnership)	_____	_____	_____
16	Paid-in Capital	_____	_____	_____
17	Retained Earnings	_____	_____	_____
18	Common Stock and Equity (Lines 14 through 17)	_____	_____	_____
19	Preferred Stock	_____	_____	_____
20	Long-Term Debt	_____	_____	_____
21	Notes Payable	_____	_____	_____
22	Total Capitalization (Lines 18 through 21)	=====	=====	=====

SEE
CONSOLIDATED
REPORT

(Revised 10/97)

SPRECKELS

NAME OF UTILITY WATERTEK, INC.

PHONE (831) 444-8000

INCOME STATEMENT

		Annual Amount
23	Unmetered Revenue	<u>99,408</u>
24	Metered Revenue	<u>-</u>
25	Total Operating Revenue	<u>99,408</u>
26	<u>Operating Expenses</u>	<u>-</u>
27	Depreciation Expense (Composite Rate <u>7.63</u>)	<u>2,702</u>
28	Amortization and Property Losses	<u>-</u>
29	Property Taxes	<u>4,607</u>
30	Taxes Other Than Income Taxes	<u>7,540</u>
31	Total Operating Revenue Deduction Before Taxes	<u>84,559</u>
32	California Corp. Franchise Tax	<u>152</u>
33	Federal Corporate Income Tax	<u>-</u>
34	Total Operating Revenue Deduction After Taxes	<u>84,407</u>
35	Net Operating Income (Loss) - California Water Operations	<u>-</u>
36	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>74,042</u>
37	Income Available for Fixed Charges	<u>10,365</u>
38	Interest Expense	<u>4,870</u>
39	Net Income (Loss) Before Dividends	<u>5,495</u>
40	Preferred Stock Dividends	<u>-</u>
41	Net Income (Loss) Available for Common Stock	<u>5,495</u>

OTHER DATA

42	Refunds of Advances for Construction	<u>-</u>
43	Total Payroll Charged to Operating Expenses	<u>27,158</u>
44	Purchased Water	<u>-</u>
45	Power	<u>1,743</u>

Active Service Connections (Exc. Fire Protect.) _____

- 46 Metered Service Connections
- 47 Flat Rate Service Connections
- 48 Total Active Service Connections

	Jan. 1	Dec. 31	Annual Average
46			
47	<u>206</u>	<u>206</u>	<u>206</u>
48	<u>206</u>	<u>206</u>	<u>206</u>

WATERTEK, INC. - SPRECKELS
SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2002)

SEE:
 CONSOLIDATED
 REPORT

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service		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	
4	105	Plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of plant		224	Long term debt	
6	114	Plant acquisition adjustments			Current Liabilities	
7	124	Other investments		252	Advances for construction	
8	131	Cash		253	Other deferred credits	
9	141	Accounts receivable - customers		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			Total Equity and Liabilities	

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					
17	303	Land	66000				66000
18	304	Structures					
19	307	Wells					
20	317	Other source plant					
21	311	Pumping equipment					
22	320	Treatment plant					
23	330	Reservoirs					
24	331	Mains					
25	333	Services and meter installations					
26	334	Meters					
27	339	Other equipment					
28	340	Office furniture and equipment		764			764
29	341	Transportation equipment	12535				12535
30		Total Plant in service	78535	764			79299

* 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		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		
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		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.
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		

WATERTEK, INC. - SPRECKELS

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: <i>SEE CONSOLIDATED REPORT</i>
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								
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered revenue	99 408
11	470 Metered revenue	-
12	480 Other revenue	-
13	Total Operating Revenue	99 408
14	Operating revenue deductions	xxxxxxxxxx
15	Operating expenses	xxxxxxxxxx
16	610 Purchased water	-
17	615 Power	1743
18	618 Other volume related expenses	325
19	630 Employee labor	7975
20	640 Materials	219
21	650 Contract work	6202
22	660 Transportation expenses	3383
23	664 Other plant maintenance expense	7625
24	670 Office salaries	4743
25	671 Management salaries	14440
26	674 Employee pensions and benefits	-
27	676 Uncollectible accounts expense	-
28	678 Office services and rentals	7397
29	681 Office supplies and expense	4813
30	682 Professional services	11463
31	684 Insurance	3340
32	688 Regulatory commission expense	-
33	689 General expenses	374
34	Total Operating Expenses	74042
35	403 Depreciation expense	2702
36	408 Taxes other than income taxes	12147
37	409 State corporate income tax expense	152
38	410 Federal corporate income tax expense	-
39	Total Operating Revenue Deductions	15001
40	Utility Operating Income	10865
41	421 Non-utility income	-
42	426 Miscellaneous non-utility expense	-
43	427 Interest expense	4870
44	Net Income	5495

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 <i>PART TIME</i>	1	7975		7975
46	670	Office salaries <i>PART TIME</i>	5	4743		4743
47	671	Management salaries <i>PART TIME</i>	1	14440		14440
48		Total	7	27158		27158

WATERTEK, INC - SPRECKELS

SCHEDULE H - ADVANCES FOR CONSTRUCTION

Balance beginning of year	
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	NONE

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

Size	Meters	Services
-in		
-in		
-in		
-in		
-in		
Total		

(Table content is crossed out with a diagonal line and the word "NONE" is written across it.)

SCHEDULE J - METER-TESTING DATA

Number of meters tested during year	
1	Used, before repair... <i>NONE</i>
2	Used, after repair
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		194	194					194
Industrial		4						4
Other (specify) <i>SCHOOL</i>		3						3
<i>COMMERCIAL</i>		5						5
Total		206						206

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	2 1/4 to	4"	6" 8"	Totals
				under	3 1/4		Other sizes (specify)	
Concrete			Cast Iron					
Earth	2	39,099,456	Welded steel					
Wood		(2000 @ 6')	Standard screw					
Steel			Cement-asbestos					
Other			Plastic				2500	2500
			Other (specify)				7500 8500	16000
Total	2	39,099,456	Total				10000 8500	18,500

DECLARATION

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

I, the undersigned (officer, partner or owner) of WATERTEK INC.-SPRECKELS (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 Raymond L. Smith

Title PRESIDENT

Date 3/29/02

Date