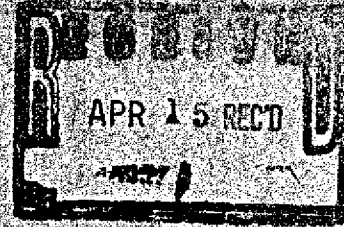


74

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

# SEWER UTILITIES

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



## 2002 ANNUAL REPORT OF

WATERTEK, INC. - SPRECKELS  
(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, 2002

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2003  
(FILE TWO COPIES IF THREE RECEIVED)

# 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 - President  
Esther I. Smith - Treasurer
- 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: Raymond L. Smith (831) 444-8000
- 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 health department RWQCB's DISCHARGE ~~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		2002
X		<u>MONTHLY</u> 2002
X		2002

**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  
2002

NAME OF UTILITY Watertek, Inc. - Spreckels PHONE (831) 444-8000

PERSON RESPONSIBLE FOR THIS REPORT Raymond L. Smith  
(Prepared from Information in the 2002 Annual Report)

	1/1/02	12/31/02	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant			
2 Land and Land Rights	66,000	66,000	66,000
3 Depreciable Plant	13,299	13,234	13,267
4 Gross Plant in Service	79,299	79,234	79,267
5 Less: Accumulated Depreciation	(6,345)	(6,666)	(6,506)
6 Net Water Plant in Service	72,954	72,568	72,761
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	72,954	72,568	72,761
<b>CAPITALIZATION</b>			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	47,001	55,390	51,195
18 Common Stock and Equity (Lines 14 through 17)	47,001	55,390	51,195
19 Preferred Stock			
20 Long-Term Debt	4,275	2,046	3,161
21 Notes Payable	66,000	66,000	66,000
22 Total Capitalization (Lines 18 through 21)	117,276	123,436	120,356

(Revised 10/97)

NAME OF UTILITY Watertek, Inc. - Spreckels

PHONE (831) 444-8000

**INCOME STATEMENT**

	Annual Amount
23 Unmetered Revenue	99,063
24 Metered Revenue	0
25 Total Operating Revenue	99,063
26 <u>Operating Expenses</u>	<u>72,992</u>
27 Depreciation Expense (Composite Rate <u>2.4%</u> )	321
28 Amortization and Property Losses	0
29 Property Taxes	4,724
30 Taxes Other Than Income Taxes	5,619
31 Total Operating Revenue Deduction Before Taxes	<u>83,656</u>
32 California Corp. Franchise Tax	957
33 Federal Corporate Income Tax	1,480
34 Total Operating Revenue Deduction After Taxes	<u>86,093</u>
35 Net Operating Income (Loss) - California Water Operations	<u>12,969</u>
36 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	
37 Income Available for Fixed Charges	<u>12,969</u>
38 Interest Expense	4,581
39 Net Income (Loss) Before Dividends	<u>8,388</u>
40 Preferred Stock Dividends	
41 Net Income (Loss) Available for Common Stock	<u>8,388</u>

**OTHER DATA**

42 Refunds of Advances for Construction	
43 Total Payroll Charged to Operating Expenses	<u>30,959</u>
44 Purchased Water	
45 Power	<u>1,570</u>

<u>Active Service Connections</u>	(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
46 Metered Service Connections				
47 Flat Rate Service Connections		<u>206</u>	<u>204</u>	<u>205</u>
48 Total Active Service Connections		<u>206</u>	<u>204</u>	<u>205</u>

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

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service	79,234	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	55,390
4	105	Plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of plant	(6,666)	224	Long term debt	68,046
6	114	Plant acquisition adjustments			Current Liabilities	30,652
7	124	Other investments		252	Advances for construction Intersystem AR/AP	(78,455)
8	131	Cash		253	Other deferred credits = Adv Billings	24,895
9	141	Accounts receivable - customers	27,183	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	777	283	Accumulated deferred income taxes - other	
13	180	Deferred charges		271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		<b>Total Assets</b>	<b>100,528</b>		<b>Total Equity and Liabilities</b>	<b>100,528</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					
17	303	Land	66,000				66,000
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	12,535			(65)	12,470
30		<b>Total Plant in service</b>	<b>79,299</b>			<b>(65)</b>	<b>79,234</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	6,345	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	321	Straight Line - Remaining Life
35	(b) Charged to Account No. 272		Composite Rate 2.4%
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	321	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	6,666	
46	(1) Explanation of all other credits		
47	(2) Explanation of all other debits		

(1) SCHEDULE B (65) REALLOCATION OF SERVICE VEHICLE

**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	Land	7/1/98	6/30/13	66,000	66,000	6%		3,960
6								
7								
8	Totals							

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered revenue	99,063
11	470 Metered revenue	
12	480 Other revenue	
13	Total Operating Revenue	99,063
14	Operating revenue deductions	xxxxxxxxxx
15	Operating expenses	xxxxxxxxxx
16	610 Purchased water	-
17	615 Power	1,570
18	618 Other volume related expenses	-
19	630 Employee labor	9,656
20	640 Materials	180
21	650 Contract work	7,732
22	660 Transportation expenses	2,755
23	664 Other plant maintenance expense	4,468
24	670 Office salaries	7,562
25	671 Management salaries	13,741
26	674 Employee pensions and benefits	-
27	676 Uncollectible accounts expense	7,085
28	678 Office services and rentals	6,981
29	681 Office supplies and expense	5,563
30	682 Professional services	210
31	684 Insurance	3,883
32	688 Regulatory commission expense	1,391
33	689 General expenses	215
34	Total Operating Expenses	72,992
35	403 Depreciation expense	321
36	408 Taxes other than income taxes	10,344
37	409 State corporate income tax expense	957
38	410 Federal corporate income tax expense	1,480
39	Total Operating Revenue Deductions	86,094
40	Utility Operating Income	12,969
41	421 Non-utility income	
42	426 Miscellaneous non-utility expense	
43	427 Interest expense	4,581
44	Net Income	8,388

**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	1	9,656		9,656
46	670	Office salaries Part Time	4	7,562		7,562
47	671	Management salaries	1	13,741		13,741
48		Total	6	30,959		30,959

**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	<b>NONE</b>

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

Size	Meters	Services
-in		
-in		
-in		
-in		
-in		
Total	<b>N/A</b>	<b>N/A</b>

**SCHEDULE J - METER-TESTING DATA**

Number of meters tested during year	
1	Used, before repair... <b>N/A</b>
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		<b>192</b>	<b>192</b>					<b>192</b>
Industrial		<b>4</b>	<b>4</b>					<b>4</b>
Other (specify) <b>SCHOOL</b>		<b>3</b>	<b>3</b>					<b>3</b>
<b>COMMERCIAL</b>		<b>5</b>	<b>5</b>					<b>5</b>
Total		<b>204</b>	<b>204</b>					<b>204</b>

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				Totals
				2 1/4 to 3 1/4	4"	6" 8"	Other sizes (specify)	
Concrete	<b>2</b>	<b>39,099.456</b>	Cast Iron					
Earth		<b>(20 AC @ 6')</b>	Welded steel					
Wood			Standard screw					
Steel			Cement-asbestos					
Other			Plastic				<b>2600</b>	<b>2500</b>
			Other (specify)				<b>7600</b>	<b>8600</b>
Total	<b>2</b>	<b>39,099.456</b>	Total				<b>10,000</b>	<b>8,500</b>

**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, 2002, to and including DECEMBER 31, 2002

Signed Raymond L. Smith

Title PRESIDENT

Date 2/14/03