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Received _____
Examined _____

SEWER UTILITIES

U# _____

2003
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, 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)

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? WASTEWATER
- 8 Has state health department RWQCB DISCHARGE water supply permit been obtained? (Indicate date) 2003
- 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		2003
X		<u>MONTHLY</u> 2003
X		2003

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____

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

PERSON RESPONSIBLE FOR THIS REPORT Raymond L. Smith
(Prepared from Information in the 2003 Annual Report)

BALANCE SHEET DATA	1/1/03	12/31/03	Average
1 Intangible Plant			
2 Land and Land Rights	66,000	66,000	66,000
3 Depreciable Plant	13,234	13,234	13,234
4 Gross Plant in Service	79,234	79,234	79,234
5 Less: Accumulated Depreciation	(6,666)	(6,984)	(6,825)
6 Net Water Plant in Service	72,568	72,250	72,409
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	72,568	72,250	72,409
CAPITALIZATION			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	55,390	48,808	52,099
18 Common Stock and Equity (Lines 14 through 17)	55,390	48,808	52,099
19 Preferred Stock			
20 Long-Term Debt	2,046	-	1,023
21 Notes Payable	66,000	39,600	52,800
22 Total Capitalization (Lines 18 through 21)	123,436	88,408	105,922

(Revised 10/97)

NAME OF UTILITY Watertek, Inc. - Spreckels

PHONE (831) 444-8000

INCOME STATEMENT

	Annual Amount
23 Unmetered Revenue	99,884
24 Metered Revenue	<u>0</u>
25 Total Operating Revenue	99,884
26 <u>Operating Expenses</u>	<u>96,019</u>
27 Depreciation Expense (Composite Rate _2.4%_)	318
28 Amortization and Property Losses	<u>0</u>
29 Property Taxes	4,250
30 Taxes Other Than Income Taxes	8,107
31 Total Operating Revenue Deduction Before Taxes	<u>108,694</u>
32 California Corp. Franchise Tax	-
33 Federal Corporate Income Tax	-
34 Total Operating Revenue Deduction After Taxes	<u>108,694</u>
35 Net Operating Income (Loss) - California Water Operations	<u>(8,810)</u>
36 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u>3,327</u>
37 Income Available for Fixed Charges	<u>(5,483)</u>
38 Interest Expense	<u>1,099</u>
39 Net Income (Loss) Before Dividends	<u>(6,582)</u>
40 Preferred Stock Dividends	<u>0</u>
41 Net Income (Loss) Available for Common Stock	<u>(6,582)</u>

OTHER DATA

42 Refunds of Advances for Construction	<u>0</u>
43 Total Payroll Charged to Operating Expenses	<u>41,669</u>
44 Purchased Water	<u>0</u>
45 Power	<u>444</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
	<u>204</u>	<u>204</u>	<u>204</u>
	<u>204</u>	<u>204</u>	<u>204</u>

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2003)

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	48,808
4	105	Plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of plant	(6,983)	224	Long term debt	39,600
6	114	Plant acquisition adjustments			Current Liabilities	53,811
7	124	Other Investments		252	Advances for construction Intersystem AR/AP	(74,254)
8	131	Cash		253	Other deferred credits = Adv Billings	24,570
9	141	Accounts receivable - customers	17,315	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	2,969	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	92,535		Total Equity and Liabilities	92,535

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	12,470				12,470
30		Total Plant in service	79,234			-	79,234

* 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	6,666	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	318	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	318	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	6,984	
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
2	Preferred - (Shares , \$ par)		and number of shares owned by each:
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		52,800	6%		3960
6								
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx
10	460 Unmetered revenue	99,884
11	470 Metered revenue	
12	480 Other revenue	
13	Total Operating Revenue	99,884
14	Operating revenue deductions	xxxxxxxxxx
15	Operating expenses	xxxxxxxxxx
16	610 Purchased water	-
17	615 Power	444
18	618 Other volume related expenses	-
19	630 Employee labor	11,736
20	640 Materials	124
21	650 Contract work	1,787
22	660 Transportation expenses	3,034
23	664 Other plant maintenance expense	14,510
24	670 Office salaries	6,746
25	671 Management salaries	23,187
26	674 Employee pensions and benefits	-
27	676 Uncollectible accounts expense	15,450
28	678 Office services and rentals	4,887
29	681 Office supplies and expense	4,266
30	682 Professional services	258
31	684 Insurance	7,814
32	688 Regulatory commission expense	1,721
33	689 General expenses	55
34	Total Operating Expenses	96,019
35	403 Depreciation expense	318
36	408 Taxes other than income taxes	12,357
37	409 State corporate income tax expense	-
38	410 Federal corporate income tax expense	-
39	Total Operating Revenue Deductions	108,694
40	Utility Operating Income	(8,810)
41	421 Non-utility income	3,387
42	426 Miscellaneous non-utility expense	59
43	427 Interest expense	1,099
44	Net Income	(6,581)

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	11,736		11,736
46	670	Office salaries Part Time	3	6,746		6,746
47	671	Management salaries	1	23,187		23,187
48		Total	6	41,669		41,669

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	N/A	N/A

SCHEDULE J - METER-TESTING DATA

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

SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		192	192					192
Industrial		4	4					4
Other (specify) <u>SCHOOL</u>		3	3					3
<u>COMMERCIAL</u>		5	5					5
Total		204	204					204

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				6" 8"		Totals
				2 1/4 to 3 1/4	4"	Other sizes (specify)	Other sizes (specify)			
Concrete	2	39,099,456	Cast Iron							
Earth		(20 ac @ 6')	Welded steel							
Wood			Standard screw							
Steel			Cement-asbestos							
Other			Plastic				2500		2500	
			Other (specify)				7600	8500	16,000	
Total	2	39,099,456	Total				10,000	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, 2003, to and including DECEMBER 31, 2003

Raymond L Smith
Signed

PRESIDENT

Title
3/31/03

Date