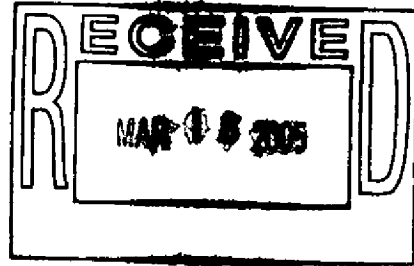


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Received \_\_\_\_\_  
 Examined \_\_\_\_\_

SEWER UTILITIES



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

2004  
 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)

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ZIP

TO THE  
 PUBLIC UTILITIES COMMISSION  
 STATE OF CALIFORNIA  
 FOR THE  
 YEAR ENDED DECEMBER 31, 2004

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2005  
 (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  
Esther I. Smith
- 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 (253) 381-7100
  - (B) Person responsible for operations and services: Raymond L. Smith (253) 381-7100
- 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) Yes  
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? CalAm Water - Operations Services \$22,250.00 for 7/1 - 12/31/04 charged to Contracted Services - All in Accrued Liabilities at 12/31/04
- 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  
RWQCB DISCHARGE
- 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		2004
X		MONTHLY 2004
X		2004

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

2004

NAME OF UTILITY Watertek, Inc. - Indian Springs

PHONE (253) 381-7100

PERSON RESPONSIBLE FOR THIS REPORT Raymond L. Smith

(Prepared from Information in the 2004 Annual Report)

	1/1/04	12/31/04	Average
<b>BALANCE SHEET DATA</b>			
1 Intangible Plant			
2 Land and Land Rights	66,000	66,000	66,000
3 Depreciable Plant	13,234	764	6,999
4 Gross Plant in Service	79,234	66,764	72,999
5 Less: Accumulated Depreciation	(6,984)	5,696	(644)
6 Net Water Plant in Service	72,250	72,460	72,355
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	72,250	72,460	72,355

<b>CAPITALIZATION</b>			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)		17,002	8,501
16 Paid-in Capital	48,808	60,242	54,525
17 Retained Earnings	48,808	77,244	63,026
18 Common Stock and Equity (Lines 14 through 17)			
19 Preferred Stock			
20 Long-Term Debt			
21 Notes Payable	39,600	29,384	34,492
22 Total Capitalization (Lines 18 through 21)	88,408	106,628	97,518

(Revised 10/97)

**INCOME STATEMENT**

	Annual Amount
23 Unmetered Revenue	99,382
24 Metered Revenue	-
25 Total Operating Revenue	<u>99,382</u>
26 Operating Expenses	<u>68,155</u>
27 Depreciation Expense (Composite Rate 2.4%)	<u>18</u>
28 Amortization and Property Losses	-
29 Property Taxes	<u>3,162</u>
30 Taxes Other Than Income Taxes	<u>6,178</u>
31 Total Operating Revenue Deduction Before Taxes	<u>77,513</u>
32 California Corp. Franchise Tax	<u>1,151</u>
33 Federal Corporate Income Tax	<u>1,981</u>
34 Total Operating Revenue Deduction After Taxes	<u>80,645</u>
35 Net Operating Income (Loss) - California Water Operations	<u>18,737</u>
36 Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	-
37 Income Available for Fixed Charges	<u>18,737</u>
38 Interest Expense	<u>7,303</u>
39 Net Income (Loss) Before Dividends	<u>11,434</u>
40 Preferred Stock Dividends	<u>4,900</u>
41 Net Income (Loss) Available for Common Stock	<u>6,534</u>

**OTHER DATA**

42 Refunds of Advances for Construction	<u>0</u>
43 Total Payroll Charged to Operating Expenses	<u>24,848</u>
44 Purchased Water	<u>0</u>
45 Power	<u>0</u>

Active Service Connections (Exc. Fire Protect.) \_\_\_\_\_

	Jan. 1	Dec. 31	Annual Average
46 Metered Service Connections			
47 Flat Rate Service Connections	<u>204</u>	<u>207</u>	<u>206</u>
48 Total Active Service Connections	<u>204</u>	<u>207</u>	<u>206</u>

**SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2004)**

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Plant in service	66,764	201	Common Stock (Corporations only)	
2	103	Plant held for future use		211	Other paid-in capital (Corporations only)	17,002
3	104	Plant purchased or sold		215	Retained earnings	55,342
4	105	Plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of plant	5,696	224	Long term debt	29,384
6	114	Plant acquisition adjustments			Current Liabilities	50,598
7	124	Other investments		252	Advances for construction INTERSYSTEM A/R A/P	(82,484)
8	131	Cash		253	Other deferred credits ADVANCE BILLINGS	23,129
9	141	Accounts receivable - customers	20,481	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	30	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>92,971</b>		<b>Total Equity and Liabilities</b>	<b>92,971</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	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	2,931	15,401		-
30		<b>Total Plant in service</b>	<b>79,234</b>	<b>2,931</b>	<b>15,401</b>		<b>66,764</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	6,984	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	18	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	18	covered by this report \$
40	Deduct: Debits to reserves during year		
41	(a) Book cost of property retired	12,698	
42	(b) Cost of removal		C. State method used to compute tax
43	(c) All other debits		depreciation.
44	Total debits	12,698	
45	Balance in reserve at end of year	(5,696)	
46	(1) Explanation of all other credits		
47	(2) Explanation of all other debits		

**SCHEDULE D - CAPITAL STOCK OUTSTANDING (DECEMBER 31, 20\_\_)**

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								
6								
7								
8	Totals							

**SCHEDULE F - INCOME STATEMENT**

9	Operating revenues	xxxxxxxxxxx
10	460 Unmetered revenue	99,382
11	470 Metered revenue	-
12	480 Other revenue	-
13	Total Operating Revenue	99,382
14	Operating revenue deductions	xxxxxxxxxxx
15	Operating expenses	xxxxxxxxxxx
16	610 Purchased water	-
17	615 Power	-
18	618 Other volume related expenses	-
19	630 Employee labor	6,925
20	640 Materials	15
21	650 Contract work	25,881
22	660 Transportation expenses	1,519
23	664 Other plant maintenance expense	4,655
24	670 Office salaries	4,681
25	671 Management salaries	13,242
26	674 Employee pensions and benefits	-
27	676 Uncollectible accounts expense	-
28	678 Office services and rentals	2,532
29	681 Office supplies and expense	4,747
30	682 Professional services	678
31	684 Insurance	3,280
32	688 Regulatory commission expense	
33	689 General expenses	
34	Total Operating Expenses	68,155
35	403 Depreciation expense	18
36	408 Taxes other than income taxes	9,340
37	409 State corporate income tax expense	1,151
38	410 Federal corporate income tax expense	1,981
39	Total Operating Revenue Deductions	80,645
40	Utility Operating Income	18,737
41	421 Non-utility income	-
42	426 Miscellaneous non-utility expense	-
43	427 Interest expense	7,303
44	Net Income	11,434

**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	6,925		6,925
46	670	Office salaries Part time	3	4,681		4,681
47	671	Management salaries	1	13,242		13,242
48		Total	5	24,848		24,848



**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 ..... <u>N/A</u>
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		198						198
Industrial		3						3
Other (specify) <u>SCHOOLS</u>		3						3
<u>COMMERCIAL</u>		3						3
Total		207						207

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)**

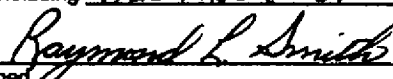
Description	No.	Combined capacity in gallons	Description	2" and 8"				Totals
				2" and under	2 1/4 to 3 1/4	4"	6" 8" Other sizes (specify)	
Concrete	2	39,099,456	Cast Iron					
Earth		(20 AC @ 6')	Welded steel					
Wood			Standard screw					
Steel			Cement-asbestos					
Other			Plastic				2500	2500
			Other (specify)				1500 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, 2004, to and including DECEMBER 31, 2004

  
 Signed \_\_\_\_\_  
PRESIDENT  
 Title \_\_\_\_\_  
3/13/05  
 Date \_\_\_\_\_