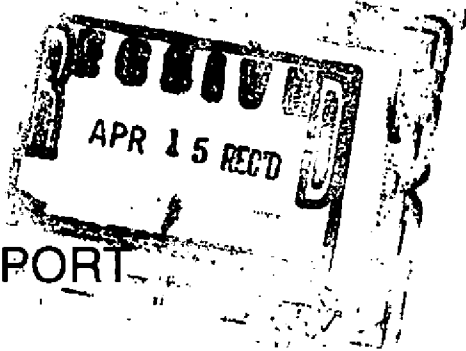


J 4

Received _____
Examined _____

CLASS D
WATER UTILITIES

U# _____



2002
ANNUAL REPORT
OF

WATERTEK, INC. - GRAND VIEW GARDENS
(NAME UNDER WHICH CORPORATION, PARTNERSHIP, OR INDIVIDUAL IS DOING BUSINESS)

P.O. Box 6040

SALINAS CA

(OFFICIAL MAILING ADDRESS)

93912-6040

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)

Summary of Earnings
Test Year 2002

Account Number	Operating Revenue	
470	Metered	
460	Unmetered	40,908
465	Irrigation	
462-480	Private Fire Protection	
	Total Revenue	40,908
	Operating Expenses	
610	Purchased Water	-
615	Purchased Power	7265
	Pump Taxes	-
	Purchased Chemicals	-
618	Other Vol. Related exp.	530
630	Employee Labor	1985
640	Materials	382
650	Contract Work	4372
	Water Testing	3203
660	Transportation Expense	965
664	Other Plant Maintenance	7412
670	Office Salaries	3638
671	Management Salaries	6558
674	Employee Pensions and Benefits	-
676	Uncollectables	-
678	Office Service and Rentals	3355
681	Office Supplies and Expense	2659
682	Professional Services	101
684	Insurance	1858
688	Regulatory Expense	732
689	General Expense	159
	Subtotal	45,174
403	Depreciation Expense	752
	Ad Valorem Taxes	1996
	Payroll taxes	972
408	Taxes other than income	653
409	State Income Tax	-
410	Federal Income Tax	-
	Total Deductions	49,547
	Net Revenue	(8,639)
	Rate Base	
	Average Plant	25,044
	Average Depreciation Reserve	(2234)
	Net Plant	22,810
	Less: Advances	-
	Less: Contributions	-
	Plus: Construction Work in Progress	-
	Plus: Working Cash	-
	Plus: Material & Supplies	-
	Rate Base 20% (OPER RATIO)	9185
	ROR=Net Rev/Rate Base	(5018)

APPROVED - NET
EARNED

CLASS D WATER UTILITIES

(HAVING LESS THAN 500 SERVICE CONNECTIONS)

WATERTEK, INC. - GRAND VIEW GARDENS

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

P. O. BOX 6040 SALINAS, CA 93912-6040

(Official mailing address)

PORTERVILLE, CA TULARE 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?
- 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		2002-2003
X		Monthly
X		2002
N/A		
		Annual

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 - Water 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 A, B, C AND D WATER COMPANIES
2002

NAME OF UTILITY WATERTEK, INC. - GRAND VIEW GARDENS 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
BALANCE SHEET DATA			
1 Intangible Plant			
2 Land and Land Rights			
3 Depreciable Plant	27,226	22,862	25,044
4 Gross Plant in Service	27,226	22,862	25,044
5 Less: Accumulated Depreciation	(1,858)	(2,610)	(2,234)
6 Net Water Plant in Service	25,368	20,252	22,810
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	25,368	20,252	22,810
CAPITALIZATION			
14 Common Stock			
15 Proprietary Capital (Individual or Partnership)			
16 Paid-in Capital			
17 Retained Earnings	(25,483)	(32,406)	(28,945)
18 Common Stock and Equity (Lines 14 through 17)	(25,483)	(32,406)	(28,945)
19 Preferred Stock			
20 Long-Term Debt	2,036	974	1,505
21 Notes Payable			
22 Total Capitalization (Lines 18 through 21)	(23,447)	(31,432)	(27,440)

(Revised 2/01)

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

20 02
(continued)

NAME OF UTILITY WATERTEK, INC. - GRAND VIEW GARDENS PHONE (831) 444-8000

INCOME STATEMENT		Annual Amount
23	Unmetered Water Revenue	<u>40,908</u>
24	Fire Protection Revenue	<u> </u>
25	Irrigation Revenue	<u> </u>
26	Metered Water Revenue	<u> </u>
27	Total Operating Revenue	<u>40,908</u>
28	<u>Operating Expenses</u>	<u>45,174</u>
29	Depreciation Expense (Composite Rate 3.29%)	<u>752</u>
30	Amortization and Property Losses	<u> </u>
31	Property Taxes	<u>1,996</u>
32	Taxes Other Than Income Taxes	<u>1,625</u>
33	Total Operating Revenue Deduction Before Taxes	<u>49,547</u>
34	California Corp. Franchise Tax	<u>-</u>
35	Federal Corporate Income Tax	<u>-</u>
36	Total Operating Revenue Deduction After Taxes	<u>49,547</u>
37	Net Operating Income (Loss) - California Water Operations	<u>(8,639)</u>
38	Other Operating and Nonoper. Income and Exp. - Net (Exclude Interest Expense)	<u> </u>
39	Income Available for Fixed Charges	<u>(6,627)</u>
40	Interest Expense	<u>296</u>
41	Net Income (Loss) Before Dividends	<u>(6,923)</u>
42	Preferred Stock Dividends	<u>-</u>
43	Net Income (Loss) Available for Common Stock	<u>(6,923)</u>

OTHER DATA

44	Refunds of Advances for Construction	<u> </u>
45	Total Payroll Charged to Operating Expenses	<u>12,181</u>
46	Purchased Water	<u> </u>
47	Power	<u>7,265</u>

<u>Active Service Connections</u>		(Exc. Fire Protect.)	Jan. 1	Dec. 31	Annual Average
48	Metered Service Connections				
49	Flat Rate Service Connections		<u>99</u>	<u>99</u>	<u>99</u>
50	Total Active Service Connections		<u>99</u>	<u>99</u>	<u>99</u>

**CLASS B, C AND D WATER COMPANIES
SAFE DRINKING WATER BOND ACT DATA**

N/A

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: _____
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: _____

N/A

6. Plant amounts included in Schedule A, Account No. 101--Water Plant in Service which were funded using SDWBA funds:

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-depreciable 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 depreciable plant					
20		Total water plant in service					

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2002)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	22,862	201	Common Stock (Corporations only)	
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	
3	104	Water plant purchased or sold		215	Retained earnings	(32,406)
4	105	Water plant construction work in progress		218	Proprietary capital	
5	108	Accumulated depreciation of water plant	(2,610)	224	Long term debt	974
6	114	Water plant acquisition adjustments			Current Liabilities	14,008
7	124	Other investments		252	Advances for construction Intersystem AR/AP	71,390
8	131	Cash		253	Other deferred credits - Advance Billings	4,748
9	141	Accounts receivable - customers	8,173	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	369	283	Accumulated deferred income taxes - other	
13	180	Deferred charges - Unanticipated Event	29,920	271	Contributions in aid of construction	
14				272	Accumulated amortization of contributions	
15		Total Assets	58,714		Total Equity and Liabilities	58,714

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					
17	303	Land					
18	304	Structures					
19	307	Wells					
20	317	Other water source plant					
21	311	Pumping equipment		3,811			3,811
22	320	Water treatment plant	20,894			(8,127)	12,767
23	330	Reservoirs tanks and sandpipes					
24	331	Water mains					
25	333	Services and meter installations					
26	334	Meters					
27	335	Hydrants					
28	339	Other equipment					
29	340	Office furniture and equipment	364				364
30	341	Transportation equipment	5,968			(48)	5,920
31		Total water plant in service	27,226	3,811		(8,175)	22,862

* Debit 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	1,858		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	752		Straight Line - Remaining Life
35	(b) Charged to Account No. 272			Composite Rate - 3.29%
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	752		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	2,610		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits			

(1) SCHEDULE B (8127) RECLASS 2001 COSTS RELATING TO UNANTICIPATED EVENT
 (48) 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
2	Preferred - (Shares	\$	par)	and number of shares owned by each:
3	Dividends - Common	Rate - \$		
4	- Preferred	Rate - \$		None

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	None							
7								
8	Totals							

SCHEDULE F - INCOME STATEMENT

9	Operating revenues	xxxxxxxxxx	
10	460 Unmetered water revenue		40,908
11	462 Fire protection revenue		
12	465 Irrigation revenue		
13	470 Metered water revenue		
14	480 Other water revenue		
15	Total Operating Revenue		40,908
16	Operating revenue deductions	xxxxxxxxxx	
17	Operating expenses	xxxxxxxxxx	
18	610 Purchased water		0
19	615 Power		7,265
20	618 Other volume related expenses		530
21	630 Employee labor		1,985
22	640 Materials		382
23	650 Contract work		7,575
24	660 Transportation expenses		965
25	664 Other plant maintenance expense		7,412
26	670 Office salaries		3,638
27	671 Management salaries		6,558
28	674 Employee pensions and benefits		-
29	676 Uncollectible accounts expense		-
30	678 Office services and rentals		3,355
31	681 Office supplies and expense		2,659
32	682 Professional services		101
33	684 Insurance		1,858
34	688 Regulatory commission expense		732
35	689 General expenses		159
36	Total Operating Expenses		45,174
37	403 Depreciation expense		752
38	407 SDWBA loan amortization expense		
39	408 Taxes other than income taxes		3,621
40	409 State corporate income tax expense		-
41	410 Federal corporate income tax expense		-
42	Total Operating Revenue Deductions		49,547
43	Utility Operating Income		(8,639)
44	421 Non-utility income		2,011
45	426 Miscellaneous non-utility expense		
46	427 Interest expense		295
47	Net Income		(6,923)

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
1853 N. Maston	1	8	35	175	20.2 Ac Ft

OTHER

Streams or springs location of diversion point	Flow in		(Unit)		Annual quantities diverted (Unit)
	Priority right		Diversions		
	Claim	Capacity	Max	Min	
Purchased water (unit)					
Supplier:					Annual quantity

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS
(If figures are available) (specify unit)

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business			
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			

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	1985		1985
49	670	Office salaries Part Time	4	3638		3638
50	671	Management salaries	1	6558		6558
51		Total	6	12181		12181

SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year	None
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 K - TOTAL METERS AND SERVICES (active and inactive)

Size	Meters	Services
5/8 x 3/4-in		
3/4-in		
1-in		
-in		
-in		
Total		

SCHEDULE L - METER-TESTING DATA

Number of meters tested during year	
1	Used, before repair...
2	Used, after repair
3	Fast, requiring refund ..
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		97	97					97
Industrial								
Other (specify) - Commercial		2	2					2
Subtotal		99	99					99
Fire protection (Hydrants)		5	5					5
Total		104	104					104

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 under	2 1/4 to 3 1/4	4"	Other sizes (specify)	Totals	
Concrete			Cast Iron						
Earth			Welded steel						
Wood			Standard screw			4,772			4,772
Steel	1	3,000	Cement-asbestos						
Other			Plastic			800			800
			Other (specify)						
Total	1	3,000	Total			5,572			5,772

DECLARATION

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

I, the undersigned (officer, partner or owner) of _____ WATERTEK, INC. - GRAND VIEW GARDENS 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 3/31/03