

Received _____

Examined _____

SEWER UTILITIES

U# _____

2014 ANNUAL REPORT OF

Monterey Sewer

California-American Water Company

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

1033 B Avenue, Suite 200, Coronado, CA 92118

(OFFICIAL MAILING ADDRESS)

ZIP

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2014

REPORT MUST BE FILED NOT LATER THAN MARCH 31, 2015

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INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NOT LATER THAN MARCH 31, 2015**, with:

**CALIFORNIA PUBLIC UTILITIES COMMISSION
DIVISION OF WATER AND AUDITS
ATTN: KAYODE KAJOPAIYE
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298
kok@cpuc.ca.gov**

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 Page 12, must be signed by an authorized 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. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2014, through December 31, 2014. Fiscal year reports will not be accepted.

CLASS D SEWER UTILITIES
(HAVING LESS THAN 500 SERVICE CONNECTIONS)

California-American Water Company

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

1033 B Avenue, Suite 200, Coronado, CA 92118

 (Official mailing address)

Monterey

 (Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 (A) Date of organization 4/1/2003 incorporated in the State of California
 (B) Names, titles and addresses of principal officers:
- | | | |
|-------------------|----------------------------------|--|
| Robert G Maclean | President | 1033 B Avenue, Suite 200, Coronado, CA 92118 |
| Ed Simon | VP Operations | 1033 B Avenue, Suite 200, Coronado, CA 92118 |
| Jeffrey Linam | VP Finance & Treasurer | 1033 B Avenue, Suite 200, Coronado, CA 92118 |
| Kevin Tilden | VP External Affairs | 1033 B Avenue, Suite 200, Coronado, CA 92118 |
| Richard Svindland | VP Engineering | 1033 B Avenue, Suite 200, Coronado, CA 92118 |
| Lilian Wilkerson | VP Human Resources | 1033 B Avenue, Suite 200, Coronado, CA 92118 |
| Anthony Cerasuolo | VP, Legal - Operations and Secre | 1033 B Avenue, Suite 200, Coronado, CA 92118 |
| Sarah Leeper | VP, Legal - Regulatory and Asst. | 1033 B Avenue, Suite 200, Coronado, CA 92118 |
| Lori Girard | Assistant Secretary | 1033 B Avenue, Suite 200, Coronado, CA 92118 |
| Andrew Homer | Assistant Secretary | 1033 B Avenue, Suite 200, Coronado, CA 92118 |
| Dave Stephenson | Assistant Treasurer | 1033 B Avenue, Suite 200, Coronado, CA 92118 |

2 If unincorporated give the name and address of owner or of each partner:
N/A

3 Name and telephone number of:
 (A) One person listed above to receive correspondence: Dave Stephenson (916) 568-4222
 (B) Person responsible for operations and services: Eric Sabolsice (831) 646-3291

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? N/A

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:

6 This annual report was prepared by:

Name of firm or consultant: N/A

Address of firm or consultant: _____

Phone Number of firm or consultant: ()

PUBLIC HEALTH STATUS

- 7 Has state or local health department inspection been made during the year?
- 8 Are routine laboratory tests of water being made?
- 9 Has state health department water supply permit been obtained? (Indicate date)
- 10 If no permit has been obtained, state whether application has been made and when.
- 11 Show expiration date if state permit is temporary.

Yes	No	Latest Date
	XX	
	NA	
	NA	
	NA	
	NA	

12 List Name, Grade, and License Number of all Licensed Operators:

<u>George Burritt, V., Grade II, Cert#10381</u>	<u>Michael Martignoni, Grade II Cert#28691</u>	<u>James Bricker, Grade III, Cert#10743</u>
<u>Jeffery Hartley, Grade IV, Cert#4477</u>	<u>Robert Moss, Grade II, Cert#41116</u>	<u>Brenda Chargin, Grade II, Cert#28734</u>
<u>Mitchell Murdock, Grade III, Cert#6228</u>	<u>Greg Daniels, Grade II, Cert#10191</u>	<u>Ronadlo Cruz Gonzales, Grade II, Cert #28727</u>
<u>Hasani Mason Grade OIT1, Cert#41990</u>		

Excess Capacity and Non-Tariffed Services

NOTE: In D.00-07-018, D.03-04-028, and D. 04-12-023, the CPUC set forth rules and requirements regarding water utilities provision of non-tariffed services using excess capacity. These decisions require water utilities to: 1) file an advice letter requesting Commission approval of that service, 2) provide information regarding non-tariffed goods/services in each company's Annual Report to the Commission.

Based on the information and filings required in D.00-07-018, D.03-04-028, and D.04-12-023, provide the following information by each individual non-tariffed goods and services provided in calendar year 2014:

Applies to All Non-Tariffed Goods/Services that require Approval by Advice Letter									
Row No.	Description of Non-Tariffed Good/Service	Active or Passive	Total Revenue Derived From Non-Tariffed Goods/ Services (by account)	Total Expenses Incurred to Provide Non-Tariffed Goods/ Services (by Account)	Advice Letter and/or Resolution Number Approving Non-Tariffed Goods/ Services	Total Income Tax Liability Incurred Because of Non-Tariffed Goods/ Services (by Account)	Income Tax Liability Account Number	Gross Value of Regulated Assets Used in the Provision of a Non-Tariffed Goods/ Services (by Account)	Regulated Asset Account Number

SCHEDULE A - BALANCE SHEET (AS OF DECEMBER 31, 2014)			
Line	Acct.	Assets	Balance
1	101	Water Plant in Service (Excluding SDWBA)	\$17,203,227
2	101.1	Water Plant in Service - SDWBA	
3	101.2	Water Plant in Service - Prop 50	
4	103	Water Plant Held for Future Use	
5	104	Water Plant Purchased or Sold	
6	105	Construction Work in Progress - Water Plant	(\$53,050)
7	100.3	Construction Work in Progress (Prop 50)	
8	108	Accumulated Depreciation of Water Plant	(\$8,059,365)
9	108.1	Accumulated Amortization of SDWBA Loan	
10	114	Water Plant Acquisition Adjustments	\$365,652
11	121	Non-utility Property and Other Assets	
12	122	Accumulated Depreciation of Non-water Utility Property	
13	124	Other Investments	
14	131	Cash	
15	131.3	Cash - Miscellaneous Special Deposits (Prop 50)	
16	132	Special Deposits	
17	141	Accounts Receivable - Customers	(\$103,785)
18	142	Receivables from Associated Companies	
19	143	Accumulated Provision for Uncollectible Accounts	
20	151	Materials and Supplies	\$54,367
21	174	Other Current Assets	
22	180	Deferred Charges	(\$108,824)
23			
24			
25		Total Assets	\$9,298,222
Line	Acct.	Equity and Liabilities	Balance
26	201	Common Stock (for corporations only)	
27	204	Preferred Stock (for corporations only)	
28	211	Other Paid-in Capital (for corporations only)	
29	215	Retained earnings (for corporations only)	\$2,763,534
30	218	Proprietary Capital (for proprietorships and partnerships only)	
31	224	Long-Term Debt	
32	231	Accounts Payable	\$24,500
33	232	Short-Term Notes Payable	
34	233	Customer Deposits	
35	236	Taxes Accrued	\$29,384
36	237	Interest Accrued	
37	241	Other Current Liabilities	\$240,590
38	250	Reserve for Depreciation of Utility Plant (Prop 50)	
39	252	Advances for Construction	
40	253	Other Credits	\$67,933
41	255	Accumulated Deferred Investment Tax Credits	
42	266.0	Contributions - Publicly Grant-Funded Plant (Prop 50)	
43	266.1	Accumulated Amortization of Contributions - Publicly Grant-Funded Plant (Prop 50)	
44	271	Contributions in Aid of Construction	\$8,547,009
45	272	Accumulated Amortization of Contributions	(\$2,374,728)
46	282	Accumulated Deferred Income Taxes - ACRS Depreciation	
47	283	Accumulated Deferred Income Taxes - Other	
48			
49			
50		Total Equity and Liabilities	\$9,298,222

SCHEDULE B - SEWER PLANT IN SERVICE (AS OF DECEMBER 31, 2014)

Line	Acct	Title of Account	Balance Beg of Year	Plant Additions During year	Plant Retirements During year	Other Debits or (Credits)	Balance End of year
1	301	Intangible Plant					
2	303	Land		SEE ATTACHED			
3	304	Structures					
4	307	Wells					
5	311	Pumping Equipment					
6	317	Other Water Source Plant					
7	320	Water Treatment Plant					
8	330	Reservoirs, Tanks and Standpipes					
9	331	Water Mains					
10	333	Services and Meter Installations					
11	334	Meters					
12	339	Other Equipment					
13	340	Office Furniture and Equipment					
14	341	Transportation Equipment					
15		Total Sewer Plant in Service					

* Debit or credit entries should be explained by footnotes or supplementary schedules

SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT (AS OF DECEMBER 31, 2014)

Line	Item	Account 108 Water Plant	Water Plant Funded by Prop 50 (For information only)	
1	Balance in reserves at beginning of year	\$7,584,940		A. Method used to compute depreciation expense (Acct. 403) and rate.
2	Add: Credits to reserves during year			See Consolidated water report
3	(a) Charged to Account No. 272	\$116,213		
4	(b) Charged to Account No. 403	\$179,873		B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report \$ See Form 7004 with consolidated report
5	(c) Charged to Account No. 407			
6	(d) Salvage recovered			
7	(e) All other credits	\$280,090		
8	Total credits	\$576,176		
9	Deduct: Debits to reserves during year			C. State method used to compute tax depreciation. See Consolidated Water Report
10	(a) Book cost of property retired	\$61,163		
11	(b) Cost of removal	\$40,588		
12	(c) All other debits			
13	Total debits	\$101,751		
14	Balance in reserve at end of year	\$8,059,365		
15	(1) Explanation of all other credits			
16	(2) Explanation of all other debits			

California-American Water Company
Monterey Sewer
Schedule Attached to and Made as Part of
Annual Report to the Public Utilities Commission of California

Schedule B Attachment
For the Year Ended December 31, 2014

SCHEDULE B - SEWER PLANT IN SERVICE (AS OF DECEMBER 31, 2014)							
Line	Acct	Title of Account	Balance Beg of Year	Plant Additions During year	Plant Retirements During year	Other Debits or (Credits)	Balance End of year
1	303	Other P/E - CPS	\$ 52,476				\$ 52,476
2	303	Other Plant & Misc Equipment	52,636				52,636
3	306	Land & Land Rights	192,001				192,001
4	315	Receiving Wells	19,455				19,455
5	316	Collecting Mains	3,932,392				3,932,392
6	316	Collecting Sewers Forced	33,233				33,233
7	323	Power Gen Equipment	24,255		(2,181)		22,074
8	324	Pump Equipment - Elect	301,689	86,844	(15,513)	1,060,246	1,433,266
9	324	Pump Equipment - Other Power	12,065				12,065
10	341	Structures & Improvements	1,494,772	327,805	(24,735)		1,797,842
11	343	Plant Sewer and Outfall Sewer Line	112,255				112,255
12	345	Services Sewer	12,597	10,627			23,224
13	349	Treatment & Disposal Equipment	8,820,169	217,904	(15,175)		9,022,898
14	372	Office Furniture & Equipment	15,370				15,370
15	373	Transportation Equipment	336,978				336,978
16	375	Laboratory Equipment	40,000				40,000
17	376	Communication Equipment	15,448				15,448
18	377	Power Operated Equipment	20,000				20,000
19	378	Tool Shop & Garage Equipment	9,775	15,415			25,190
20	379	Misc Equipment	47,986		(3,559)		44,427
15		Total Sewer Plant in Service	\$ 15,545,552	\$ 658,595	\$ (61,163)	\$ 1,060,246	\$ 17,203,230

* Debit or credit entries should be explained by footnotes or supplementary schedules - reclass Monterey assets to Monterey WW

SCHEDULE D - CAPITAL STOCK OUTSTANDING (AS OF DECEMBER 31, 2014)

Line	Description	Shareholder Name	Number of Shares	Par Value
1	Common Stocks			
2	Common Stocks	*Refer to CA Consolidated report for capital stock information		
3	Common Stocks			
4	Common Stocks			
5	Common Stocks			
6	Common Stocks			
7	Common Stocks			
8	Common Stocks			
9	Common Stocks			
10	Common Stocks			
11	Common Stocks			
12	Common Stocks			
13	Common Stocks			
14	Common Stocks			
15	Common Stocks			
16	Total - Common Stocks			
17	Preferred Stocks			
18	Preferred Stocks			
19	Preferred Stocks			
20	Preferred Stocks			
21	Preferred Stocks			
22	Preferred Stocks			
23	Preferred Stocks			
24	Preferred Stocks			
25	Preferred Stocks			
26	Preferred Stocks			
27	Preferred Stocks			
28	Preferred Stocks			
29	Preferred Stocks			
30	Preferred Stocks			
31	Preferred Stocks			
32	Total - Preferred Stocks			
33	Total annual dividends declared and/or paid to common stockholders			\$
34	Percentage of total annual dividend to common stockholders as a percentage of total net income (%)			
35	Total annual dividends declared and/or paid to preferred stock shareholders			\$
36	Percentage of total annual dividend to preferred stockholders as a percentage of total net income (%)			

Note: Please use duplicate page(s) to meet your company's needs if additional lines are needed.

SCHEDULE E - LONG-TERM DEBTS

Line	Lender Name	CPUC Order No.	Class	Date of Issuance	Date of Maturity	Principle Amount Authorized	Interest Rate (%)	Accrued Interest for Current Year	Interest Paid for Current Year	Outstanding Balance as of 12/31/2014
1	*Refer to CA Consolidated report for long term debt information									
2										
3										
4										
5										
6										
7										
8										
9										
10										
11	Total									

Note: Please use duplicate page(s) to meet your company's needs if additional lines are needed.

SCHEDULE F - INCOME STATEMENT			
Line	Acct.	Description	Balance
1		Operating Revenues:	
2	460	Unmetered Water Revenue	\$3,422,989
3	462	Fire Protection Revenue	
4	465	Irrigation Revenue	
5	470	Metered Water Revenue	
6	475	Approved Total Surcharge Revenue(s)	
7	480	Other water revenue	
8		Total Revenue Received	\$3,422,989
9		Less: Revenue Deductions	
10		SDWBA/SRF Surcharge Revenue	
11		Total Operating Revenue	\$3,422,989
12		Operating Expenses:	
13	610	Purchased Water	
14	615	Power	\$200,697
15	618	Other Volume Related Expenses	\$301,302
16	630	Employee Labor	\$809,355
17	640	Materials	\$80,630
18	650	Contract Work	\$451,865
19	660	Transportation Expense	\$64,875
20	664	Other Plant Maintenance Expenses	\$22,362
21	670	Office Salaries	
22	671	Management Salaries	
23	674	Employee Pensions and Benefits	\$226,713
24	676	Uncollectible Accounts Expense	\$0
25	678	Office Services and Rentals	
26	681	Office Supplies and Expense	
27	682	Professional Services	
28	684	Insurance	
29	688	Regulatory Commission Expense	
30	689	General Expense ¹	\$866,673
31		Total Operating Expenses	\$3,024,472
32	403	Depreciation Expense	\$179,873
33	407	SDWBA/SRF Loan Amortization Expense	
34	408	Taxes Other Than Income Taxes	\$116,119
35	409	State Corporate Income Tax expense	\$65,549
36	410	Federal Corporate Income Tax Expense	\$236,977
37		Total Operating Revenue Deductions	\$598,518
38		Utility Operating Income	(\$200,000)
39	421	Non-utility Income	\$82,942
40	426	Miscellaneous Non-utility Expense	
41	427	Interest Expense	
42		Net Income	(\$117,058)

¹ Amount includes allocated general office expenses consistent with methodology employed in the authorized GRC revenue requirement

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
1	630	Employee Labor		\$809,355		
2	670	Office salaries				
3	671	Management salaries				
4		Total	9	\$809,355		

SCHEDULE H - ADVANCES FOR CONSTRUCTION

Balance beginning of year	N/A
Additions during year	
Subtotal - Beginning balance plus additions during year	
Refunds	
Transfers to Acct. 271 - Contributions in Aid of Construction	
Balance end of year	N/A

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

Size	Meters	Services
-in	NA*	
-in		
-in		
-in		
-in		
Total		

SCHEDULE J - METER-TESTING DATA

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

*Monterey WW has meters for internal production purposes only, thus not included on this schedule

SCHEDULE K - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		2,454	2,454					2,454
Commercial		28	28					28
Industrial		2	2					2
Other (specify) Put		4	4					4
Other Miscellaneous		2	2					2
Total		2,490	2,490					2,490

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	2 1/4 to 3 1/4	4"	Other sizes (specify)					Unknown	Total	
							6	8	10	12	18			24
Concrete			Cast iron	-	-									-
Earth			Welded steel	-	-									-
Wood			Standard screw	-	-									-
Steel			Cement-asbestos	-	-									-
Other			Plastic	-	-	11,579	31,417	40,269	1,286	4,753				89,304
Earth (lined Plastic)	4	25,548,000	Other (specify) Unk	-	1,261	1,053	90,544	39,189	4,704	1,069	27		5,754	143,601
Earth (lined Clay)	7	127,356,039	VCP	-	-	-	5,132	3,508	322	1,074		890		10,926
			Ductile Iron	-	-	-	820	-	-	-				820
Total	11	152,904,039	Total	-	1,261	12,632	127,913	82,966	6,312	6,896	27	890	5,754	244,651

DECLARATION


(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned _____ **Richard C. Svindland**
Officer, Partner, or Owner (Please Print)

of _____ **California-American Water Company**
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 of January 1, 2014, through December 31, 2014.

_____ **Vice President, Operations**
Title (Please Print)


Signature

_____ **(916) 568-4296**
Telephone Number

_____ **5/29/2015**
Date