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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Form 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) January 3, 2005

**AMERICAN STATES WATER COMPANY**

(Exact name of registrant as specified in its charter)

**California**

(State or other jurisdiction of  
incorporation or organization)

**333-47647**

(Commission File Number)

**95-4676679**

(I.R.S. Employer Identification  
No.)

**630 East Foothill Blvd.**

**San Dimas, California**

(Address of principal executive  
offices)

**91773**

(Zip Code)

Registrant's telephone number, including area code: (909) 394-3600

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing requirement of the registrant under any of the following provisions (see General Instruction A.2 below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the exchange Act (17 CFR 14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Section 1-Registrant's Business and Operations**

**Item 1.01. Entry into a Material Definitive Agreement**

The Company granted stock options to its executive officers on January 3, 2005 pursuant to the terms of an award agreement attached hereto as Exhibit 10.1.

**Section 9-Financial Statement and Exhibits**

**Item 9.01. Financial Statements and Exhibits**

Exhibit 10.1 American States Water Company 2000 Stock Incentive Plan Nonqualified Stock Option Agreement with Terms and Conditions and Option Exercise Agreement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN STATES WATER  
COMPANY

Date: January 7, 2004

/s/ Robert J. Sprowls  
\_\_\_\_\_  
Robert J. Sprowls  
Chief Financial Officer, Senior Vice  
President, Corporate Secretary and Treasurer

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
10.1	American States Water Company 2000 Stock Incentive Plan Nonqualified Stock Option Agreement with Terms and Conditions and Option Exercise Agreement

AMERICAN STATES WATER COMPANY  
2000 STOCK INCENTIVE PLAN  
NONQUALIFIED STOCK OPTION AGREEMENT

THIS NONQUALIFIED STOCK OPTION AGREEMENT (this “Option Agreement”) by and between AMERICAN STATES WATER COMPANY, a California corporation (the “Corporation”), and \_\_\_\_\_ (the “Participant”) evidences the nonqualified stock option (the “Option”) granted by the Corporation to the Participant as to the number of shares of the Corporation’s common shares, no par value (the “Common Shares”), first set forth below.

Number of Common Shares: <sup>1</sup>	_____	Award Date:	_____
Exercise Price per Share: <sup>1</sup>	_____	Expiration Date: <sup>1,2</sup>	_____
<u>% Vesting</u>	<u>Date of Vesting</u> <sup>1,2</sup>		
_____ %	_____		
_____ %	_____		
_____ %	_____		

The Option is granted under the American States Water Company 2000 Stock Incentive Plan, as amended (the “Plan”) and subject to the Terms and Conditions of Option (the “Terms”) attached to this Option Agreement (incorporated herein by this reference) and to the Plan. The Option has been granted to the Participant in addition to, and not in lieu of, any other form of compensation otherwise payable or to be paid to the Participant. The Option is not and shall not be deemed to be an incentive stock option within the meaning of Section 422 of the Code. Capitalized terms are defined in the Plan if not defined herein. The parties agree to the terms of the Option set forth herein, and the Participant acknowledges receipt of a copy of the Terms and the Plan.

“PARTICIPANT”

AMERICAN STATES WATER COMPANY,  
a California corporation

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip Code \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

CONSENT OF SPOUSE

In consideration of the Corporation’s execution of this Option Agreement, the undersigned spouse of the Participant agrees to be bound by all of the terms and provisions hereof and of the Plan.

_____		
Signature of Spouse		Date

<sup>1</sup> Subject to adjustment under Section 4.2 of the Plan.

<sup>2</sup> Subject to early termination under Section 4.2 of the Plan.

## TERMS AND CONDITIONS OF OPTION

### 1. Vesting; Limits on Exercise.

As set forth in the Option Agreement, the Option shall vest and become exercisable in percentage installments of the aggregate number of Common Shares subject to the Option. The Option may be exercised only to the extent the Option is vested and exercisable.

- Cumulative Exercisability. To the extent that the Option is vested and exercisable, the Participant has the right to exercise the Option (to the extent not previously exercised), and such right shall continue, until the expiration or earlier termination of the Option.
- No Fractional Shares. Fractional share interests shall be disregarded, but may be cumulated.
- Minimum Exercise. No fewer than 100<sup>1</sup> Common Shares may be purchased at any one time, unless the number purchased is the total number at the time exercisable under the Option.

### 2. Continuance of Employment Required; No Employment Commitment.

The vesting schedule does not require continued service through each applicable vesting date as a condition to the vesting of the applicable installment of the Option and the rights and benefits under this Option Agreement.

Nothing contained in this Option Agreement or the Plan constitutes an employment commitment by the Company, affects the Participant's status as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by the Company or any Subsidiary, interferes in any way with the right of the Company or any Subsidiary at any time to terminate such employment, or affects the right of the Company or any Subsidiary to increase or decrease the Participant's other compensation.

### 3. Method of Exercise of Option.

The Option shall be exercisable by the delivery to the Secretary of the Corporation of a written notice stating the number of Common Shares to be purchased pursuant to the Option and accompanied by:

- delivery of an executed Exercise Agreement in substantially the form attached hereto as Exhibit A or such other form as from time to time may be required by the Committee (the "**Exercise Agreement**");
- payment in full for the Exercise Price of the shares to be purchased, by check or electronic funds transfer to the Corporation, subject to such specific procedures or directions as the Committee may establish;
- satisfaction of the tax withholding provisions of Section 4.5 of the Plan; and
- any written statements or agreements required pursuant to Section 4.4 of the Plan.

The Committee also may but is not required to authorize a non-cash payment alternative specified below at or prior to the time of exercise, in which case, the Exercise Price and/or applicable withholding taxes, to the extent so authorized, may be paid in full or in part by Common Shares already owned by the Participant, valued at their Fair Market Value on the exercise date; provided, however, that any shares acquired upon exercise of a stock option or otherwise directly from the Corporation must have been owned by the Participant for at least six (6) months before the date of such exercise.

**4. Early Termination of Option.**

The Option, to the extent not previously exercised, and all other rights hereunder, whether vested and exercisable or not, shall terminate and become null and void prior to the Expiration Date in the event of the termination of the Option pursuant to Section 4.2 of the Plan. The provisions of subsections (a), (b) and (c) of Section 2.6 of the Plan are not applicable to this Option.

Your Options will terminate immediately if you are terminated by the Company or one of its Subsidiaries for "Cause".

**5. Non-Transferability and Other Restrictions.**

The Option and any other rights of the Participant under this Option Agreement or the Plan are nontransferable and exercisable only by the Participant, except as set forth in Section 1.9 of the Plan.

**6. Notices.**

Any notice to be given under the terms of this Option Agreement or the Exercise Agreement shall be in writing and addressed to the Corporation at its principal office to the attention of the Secretary, and to the Participant at the address given beneath the Participant's signature hereto, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be given only when received, but if the Participant is no longer an Eligible Employee, shall be deemed to have been duly given when enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government.

**7. Plan.**

The Option and all rights of the Participant under this Option Agreement are subject to, and the Participant agrees to be bound by, all of the terms and conditions of the Plan, incorporated herein by this reference. In the event of a conflict or inconsistency between the terms and conditions of this Option Agreement and of the Plan, the terms and conditions of the Plan shall govern. The Participant acknowledges receipt of a copy of the Plan and agrees to be bound by the terms thereof. The Participant acknowledges reading and understanding the Plan. Unless otherwise expressly provided in other sections of this Option Agreement, provisions of the Plan that confer discretionary authority on the Board or the Committee do not and shall not be deemed to create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Committee so conferred by appropriate action of the Board or the Committee under the Plan after the date hereof.



**8. Entire Agreement.**

This Option Agreement (together with the form of Exercise Agreement attached hereto) and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan, this Option Agreement and the Exercise Agreement may be amended pursuant to Section 4.6 of the Plan. Such amendment must be in writing and signed by the Corporation. The Corporation may, however, unilaterally waive any provision hereof or of the Exercise Agreement in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

**9. Governing Law; Limited Rights.**

**9.1. California Law.** This Option Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California without regard to conflict of law principles thereunder.

**9.2. Limited Rights.** The Participant has no rights as a shareholder of the Corporation with respect to the Option as set forth in Section 4.7 of the Plan. The Option does not place any limit on the corporate authority of the Corporation as set forth in Section 4.14 of the Plan.

*(Remainder of Page Intentionally Left Blank)*

**AMERICAN STATES WATER COMPANY  
2000 STOCK INCENTIVE PLAN  
OPTION EXERCISE AGREEMENT**

The undersigned (the “**Purchaser**”) hereby irrevocably elects to exercise his/her right, evidenced by that certain Nonqualified Stock Option Agreement dated as of \_\_\_\_\_ (the “**Option Agreement**”) under the American States Water Company 2000 Stock Incentive Plan, as amended (the “**Plan**”), as follows:

- the Purchaser hereby irrevocably elects to purchase \_\_\_\_\_ shares of Common Shares (the “**Shares**”), of American States Water Company (the “**Corporation**”), and
- such purchase shall be at the price of \$ \_\_\_\_\_ per share, for an aggregate amount of \$ \_\_\_\_\_ (subject to applicable withholding taxes pursuant to Section 4.5 of the Plan).

Capitalized terms are defined in the Plan if not defined herein.

**Delivery of Shares.** The Purchaser requests that (1) a certificate representing the Common Shares be registered to Purchaser and delivered to: \_\_\_\_\_ or (2) that the Common Shares be registered in the Purchaser’s name and electronically delivered to: \_\_\_\_\_.

**Plan and Option Agreement.** The Purchaser acknowledges that all of his/her rights are subject to, and the Purchaser agrees to be bound by, all of the terms and conditions of the Plan and the Option Agreement, both of which are incorporated herein by this reference. If a conflict or inconsistency between the terms and conditions of this Exercise Agreement and of the Plan or the Option Agreement shall arise, the terms and conditions of the Plan and/or the Option Agreement shall govern. The Purchaser acknowledges receipt of a copy of all documents referenced herein and acknowledges reading and understanding these documents and having an opportunity to ask any questions that he/she may have had about them.

**“PURCHASER”**  
\_\_\_\_\_  
*Signature*  
  
\_\_\_\_\_  
*Print Name*  
  
\_\_\_\_\_  
*Address*  
  
\_\_\_\_\_  
*City, State, Zip Code*

**ACCEPTED BY:**  
**AMERICAN STATES WATER COMPANY,**  
a California corporation  
  
By: \_\_\_\_\_  
  
Print Name: \_\_\_\_\_  
  
Title: \_\_\_\_\_  
  
*(To be completed by the Corporation after the price (including applicable withholding taxes), value (if applicable) and receipt of funds is verified.)*