

ANNUAL REPORT

Of

Company Name: Cactus State Utility Operating Company
1630 Des Peres Road Suite 140

Mailing Address: Des Peres MO
63131

Docket No.: 0
For the Year Ended: 12/31/23

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date: 4/15/2024

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Cactus State Utility Operating Company
A Class **E** Utility

For the Calendar Year Ended: 12/31/23

Primary Address: 1630 Des Peres Rd, Ste 140
City: St. Louis State: Missouri Zip Code: 63131

Telephone Number: 314-736-4672

Date of Original Organization of Utility: 2/25/2021

Person to whom correspondence should be addressed concerning this report:

Name: Brent Thies
Telephone No. : 314-380-8508
Address: 1630 Des Peres Rd, Ste 140
City: St. Louis State: Missouri Zip Code: 63131
Email: bthies@cswrgroup.com

NA
Name: NA
Telephone No. : NA
Address: NA
City: NA State: NA Zip Code: NA
Email: NA

NA
Name: NA
Telephone No. : NA
Address: NA
City: NA State: NA Zip Code: NA
Email: NA

NA
Name: NA
Telephone No. : NA
Address: NA
City: NA State: NA Zip Code: NA
Email: NA

NA
Name: NA
Telephone No. : NA
Address: NA
City: NA State: NA Zip Code: NA
Email: NA

Ownership: Limited Liability Company ("LLC")

Counties Served: Yuma

Important changes during the year

N/A	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
If yes, please provide specific details in the box below.	
Cactus State purchased the assets of Brandenberger-Glaze (Green Acres), Gadsden Water, High Country Pines, Morman Lake, Peebles Valley, Santa Cruz, Sunizona, Tonto Village, West Village, and Winchester Water in 2023.	

N/A	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
If yes, please provide specific details in the box below.	
N/A	

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	\$13,462	\$0	\$0	\$13,462	\$13,462	\$0
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	50,597	0	0	50,597	0	50,597
354	Structures and Improvements	428,662	96,775	0	525,437	213,730	311,707
355	Power Generation Equipment	0	0	0	0	0	0
360	Collections Wastewater - Force	79,707	138,126	0	217,833	3,241	214,592
361	Collections Wastewater - Gravity	151,956	1,937	0	153,893	129,797	24,096
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	31,630	0	0	31,630	31,630	0
364	Flow Measuring Devices	5,020	16,385	0	21,405	6,789	14,616
365	Flow Measuring Installations	0	0	0	0	0	0
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	21,500	0	0	21,500	21,500	0
371	Pumping Equipment	0	57,319	0	57,319	2,824	54,495
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0
380	Treatment and Disposal Equipment	751,302	96,905	0	848,207	717,081	131,126
381	Plant Sewers	2,661	23,754	0	26,415	2,958	23,457
382	Outfall Sewer Lines	10,673	0	0	10,673	10,673	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0
390	Office Furniture and Equipment	4,085	0	0	4,085	4,085	0
390.1	Computer & Software	0	0	0	0	0	0
391	Transportation Equipment	0	0	0	0	0	0
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	0	0	0	0	0	0
394	Laboratory Equipment	8,016	0	0	8,016	8,016	0
395	Power Operated Equipment	7,791	5,284	0	13,075	7,047	6,028
396	Communication Equipment	0	18,016	0	18,016	601	17,415
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,567,062	\$454,501	\$0	\$2,021,563	\$1,173,434	\$848,129

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Cactus State Utility Operating Company
Annual Report
Depreciation Expense for the Current Year (Wastewater)
12/31/23

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$13,462	\$0	\$0	\$13,462	\$13,462	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	50,597	0	0	50,597	0	0.00%	0
354	Structures and Improvements	428,662	96,775	0	525,437	0	2.50%	11,926
355	Power Generation Equipment	0	0	0	0	0	0.00%	0
360	Collections Wastewater - Force	79,707	138,126	0	217,833	0	2.00%	2,975
361	Collections Wastewater - Gravity	151,956	1,937	0	153,893	129,324	2.00%	440
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	31,630	0	0	31,630	31,630	2.50%	0
364	Flow Measuring Devices	5,020	16,385	0	21,405	6,020	10.00%	671
365	Flow Measuring Installations	0	0	0	0	0	10.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	21,500	0	0	21,500	21,500	2.50%	0
371	Pumping Equipment	0	57,319	0	57,319	0	10.00%	2,723
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0.00%	0
380	Treatment and Disposal Equipment	751,302	96,905	0	848,207	712,730	5.00%	4,057
381	Plant Sewers	2,661	23,754	0	26,415	2,661	2.50%	277
382	Outfall Sewer Lines	10,673	0	0	10,673	10,673	2.00%	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
390	Office Furniture and Equipment	4,085	0	0	4,085	4,085	6.67%	0
390.1	Computer & Software	0	0	0	0	0	0.00%	0
391	Transportation Equipment	0	0	0	0	0	0.00%	0
392	Stores Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
394	Laboratory Equipment	8,016	0	0	8,016	8,016	10.00%	0
395	Power Operated Equipment	7,791	5,284	0	13,075	0	6.67%	649
396	Communication Equipment	0	18,016	0	18,016	0	6.67%	561
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$1,567,062	\$454,501	\$0	\$2,021,563	\$940,101		\$24,280

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	2.25%
Amortization of CIAC	\$0
Less: Amortization of CIAC	\$0
DEPRECIATION EXPENSE	\$24,280

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Cactus State Utility Operating Company
Annual Report
Balance Sheet Assets
12/31/23

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets			
131	Cash		\$36,115	\$9,900
132	Special Deposits		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		34,226	41,406
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		(2,126)	0
146	Notes Receivable from Associated Companies		0	103
151	Plant Material and Supplies		0	0
162	Prepayments		169	4,207
173	Accrued Utility Revenue		9,556	11,189
174	Miscellaneous Current and Accrued Assets		378,743	301,287
	Total Current and Accrued Assets		\$456,683	\$368,092
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$340	\$1,103
	Total Deferred Debits		\$340	\$1,103
	Fixed Assets			
101	Utility Plant in Service*		\$1,567,062	\$2,021,563
103	Property Held for Future Use		0	0
105	Construction Work in Progress		261,602	501,377
108	Accumulated Depreciation (enter as negative)*		(1,146,919)	(1,173,434)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$681,745	\$1,349,506
	Total Assets		\$1,138,768	\$1,718,701

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note these items feed automatically from the adjusted end of year balance from AR4.

Cactus State Utility Operating Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable		\$271,535	\$168,571
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		610,135	963,659
235	Customer Deposits		0	0
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		74,404	8,569
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$956,074	\$1,140,799
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
252	Advances in Aid of Construction		\$0	\$0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$956,074	\$1,140,799
	Capital Accounts			
201	Common Stock Issued		\$223,469	\$801,190
211	Other Paid-In Capital		0	0
215	Retained Earnings		(40,777)	(223,288)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$182,692	\$577,902
	Total Liabilities and Capital		\$1,138,766	\$1,718,701

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Cactus State Utility Operating Company
Annual Report
Wastewater Comparative Income Statement
12/31/23

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 -	Last Year 01/01/2022 -
	Operating Revenue		
521	Flat Rate Revenues	\$245,725	\$207,629
522	Measured Revenues	0	0
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	0	0
	Total Revenues	\$245,725	\$207,629
	Operating Expenses		
701	Salaries and Wages	\$0	\$0
704	Employee Pensions and Benefits	0	0
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	0	8,100
715	Purchased Power	40,531	22,761
716	Fuel for Power Production	0	0
718	Chemicals	78,808	25,656
720	Materials and Supplies	5,417	1,627
720.1	Repairs and Maintenance	7,709	0
720.2	Office Supplies and Expense	17	146
721	Office Expense	0	0
731	Contractual Services -Engineering	273	0
732	Contractual Services - Accounting	3,173	2,976
733	Contractual Services - Legal	7,354	2,101
734	Contractual Services - Management Fees	5,884	4,460
735	Contractual Services - Testing	21,676	2,526
736	Contractual Services - Other	53,664	28,739
740	Rents - Building	0	0
742	Rents - Equipment	0	0
750	Transportation Expenses	0	0
757	Insurance - General Liability	16,691	16,818
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case		0
767	Regulatory Commission Expense - Other	16,999	0
770	Bad Debt Expense	3,438	2,335
775	Miscellaneous Expense	133,997	103,959
403	Depreciation Expense (From Schedule AR4)	24,280	14,603
408	Taxes Other Than Income	0	0
408.11	Property Taxes	8,325	9,782
408.12	Pavroll Taxes	0	0
409	Income Taxes	0	0
	Total Operating Expenses	\$428,236	\$246,589
	Operating Income / (Loss)	(\$182,511)	(\$38,960)
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	0	0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$182,511)	(\$38,960)

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	0.0	0.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Cactus State Utility Operating Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/23

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	NA	NA	NA	NA
Source of Loan	NA	NA	NA	NA
ACC Decision No.	NA	NA	NA	NA
Reason for Loan	NA	NA	NA	NA
Dollar Amt. Issued	NA	NA	NA	NA
Amount Outstanding	NA	NA	NA	NA
Date of Maturity	NA	NA	NA	NA
Interest Rate	NA	NA	NA	NA
Current Year Interest	NA	NA	NA	NA
Current Year Principal	NA	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Wastewater Utility Plant Description

Name of System:	Sweetwater Creek
Wastewater Inventory Number (if applicable):	N/A
Type of Treatment	Extended Aeration
Design Capacity of Plant (Gallons per day)	126,000

LIFT STATION FACILITIES					
Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
Main Facility Lift Sta	1	10	350	6,500	1997
Main Facility Lift Sta	1	5	160	0	0
None	0	0	0	0	0
None	0	0	0	0	0
None	0	0	0	0	0
None	0	0	0	0	0
None	0	0	0	0	0
None	0	0	0	0	0
None	0	0	0	0	0
None	0	0	0	0	0
None	0	0	0	0	0
None	0	0	0	0	0
None	0	0	0	0	0
None	0	0	0	0	0
None	0	0	0	0	0

FORCE MAINS		
Size	Material	Length (Feet)
<4 inch	PVC	280
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

MANHOLES	
Type	Quantity
Standard	57
Drop	0

CLEANOUTS
Quantity
2
0
0
0

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Wastewater Utility Plant Description (Continued)					
GRAVITY MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
8	PVC	15,425	2	NA	NA
10	PVC	30	2	NA	NA
12	PVC	5,050	2	NA	NA
15	PVC	1,089	2	NA	NA
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			

For the following five items, list the utility owned assets in each category for each system.

SOLIDS PROCESSING AND HANDLING FACILITIES	Two aerated solids holding tanks.
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	One Chlorine basin with liquid chlorine feed system
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	N/A
STRUCTURES (Buildings, Fences, Etc.)	One stucco on site operations/control building. Chain link fence around perimeter.
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Laboratory/process control testing equipment. One portable trash pump and backup solids handling pump.

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Cactus State Utility Operating Company
 Annual Report
 Wastewater Flows
 12/31/23

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	524	N/A	N/A	\$4,583	N/A
February	543	N/A	N/A	2,868	N/A
March	508	N/A	N/A	2,841	N/A
April	474	N/A	N/A	3,454	N/A
May	517	N/A	N/A	3,298	N/A
June	528	N/A	N/A	4,087	N/A
July	542	N/A	N/A	2,673	N/A
August	542	N/A	N/A	3,060	N/A
September	546	N/A	N/A	3,223	N/A
October	530	N/A	N/A	3,261	N/A
November	538	N/A	N/A	3,628	N/A
December	541	N/A	N/A	3,555	N/A
Totals		0	0	\$40,531	0

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Evaporation Ponds
Groundwater Permit Number	None
ADEQ Aquifer Protection Permit ("APP") Number	P-102846
ADEQ Reuse Permit Number	N/A
EPA NPDES Permit Number	N/A
APP Effluent Treatment Requirement (Class)?	B+
Permitted Flow Rate	126,000
Permitted Organic Capacity	N/A
Hydraulic Capacity	N/A
Type of Biological Treatment	N/A

In the space below, list all violations within the past 12 months:

None

Note: If you are filing for more than one system, please provide separate sheets for each system.

¹ Enter the total purchased power costs for the power meters associated with this system.

² Enter the total purchased kWh used by the power meters associated with this system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Other Wastewater System Information

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
ERC = (Total SFR gallons treated (Omit 000) / 365 days / 280 gallons per day)

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated. Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC
Method used:

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

If the utility does not engage in reuse, has a reuse feasibility study been completed?

If so, when?

Cactus State Utility Operating Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of System:	Sweetwater Creek
Wastewater Inventory Number (if applicable):	N/A

Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

N/A

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2023 was \$8,325

If no property taxes paid, explain why.
N/A

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Certification (Taxes)

Verification: State of Missouri, the undersigned of the
(state name)

County of (county name):	Multiple counties
Name (owner or official) title:	Brent Thies - VP & Corporate Controller
Company name:	Cactus State Utility Operating Company


DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/23

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

CERTIFICATION I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I CERTIFY THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


signature of owner/official

314-736-4672
telephone no.