

ANNUAL REPORT

Of

Company Name:
6808 N Dysart Rd Ste 116

Mailing Address: Glendale AZ 85307

Docket No.:
For the Year Ended:

**RECEIVED
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4/10/2024, 12:50 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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:
Application Date:

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Clear Springs Utility Company, Inc.
A Class Utility

For the Calendar Year Ended:

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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

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

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

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

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

Ownership:

Counties Served:

Important changes during the year

No	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.
	N/A

No	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	\$0	\$0	\$0	\$0	\$0	\$0
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	5,254	0	0	5,254	0	5,254
354	Structures and Improvements	11,116	0	0	11,116	9,638	1,478
355	Power Generation Equipment	0	0	0	0	0	0
360	Collections Wastewater - Force	355,502	1,400	0	356,902	277,352	79,550
361	Collections Wastewater - Gravity	64,840	0	0	64,840	4,407	60,433
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	9,880	0	0	9,880	6,743	3,137
364	Flow Measuring Devices	0	0	0	0	0	0
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	0	0	0	0	0	0
371	Pumping Equipment	123,290	617	0	123,907	75,565	48,342
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	9,710	1,236	0	10,946	2,106	8,840
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	0	0	0	0	0	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0
390	Office Furniture and Equipment	0	0	0	0	0	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	4,245	0	0	4,245	3,136	1,109
394	Laboratory Equipment	0	0	0	0	0	0
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	0	0	0	0	0	0
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$583,837	\$3,253	\$0	\$587,090	\$378,947	\$208,143

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.

Clear Springs Utility Company, Inc.
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	\$0	\$0	\$0	\$0		0.00%	\$0
352	Franchises	0	0	0	0		0.00%	\$0
353	Land and Land Rights	5,254	0	0	5,254	5,254	0.00%	\$0
354	Structures and Improvements	11,116	0	0	11,116	9,504	3.33%	\$54
355	Power Generation Equipment	0	0	0	0		0.00%	\$0
360	Collections Wastewater - Force	355,502	1,400	0	356,902	266,052	2.00%	\$1,803
361	Collections Wastewater - Gravity	64,840	0	0	64,840		2.00%	\$1,297
362	Special Collecting Structures	0	0	0	0		0.00%	\$0
363	Services to Customers	9,880	0	0	9,880		2.00%	\$198
364	Flow Measuring Devices	0	0	0	0		0.00%	\$0
365	Flow Measuring Installations	0	0	0	0		0.00%	\$0
366	Reuse Services	0	0	0	0		0.00%	\$0
367	Reuse Meters & Meter Installations	0	0	0	0		0.00%	\$0
370	Receiving Wells	0	0	0	0		0.00%	\$0
371	Pumping Equipment	123,290	617	0	123,907		12.50%	\$15,958
374	Reuse Distribution Reservoirs	0	0	0	0		0.00%	\$0
375	Reuse Trans. And Distr. Equipment	0	0	0	0		0.00%	\$0
380	Treatment and Disposal Equipment	9,710	1,236	0	10,946	487	5.00%	\$497
381	Plant Sewers	0	0	0	0		0.00%	\$0
382	Outfall Sewer Lines	0	0	0	0		0.00%	\$0
389	Other Plant and Misc. Equipment	0	0	0	0		0.00%	\$0
390	Office Furniture and Equipment	0	0	0	0		0.00%	\$0
390.1	Computer & Software	0	0	0	0		0.00%	\$0
391	Transportation Equipment	0	0	0	0		0.00%	\$0
392	Stores Equipment	0	0	0	0		0.00%	\$0
393	Tools, Shop and Garage Equipment	4,245	0	0	4,245	2,924	5.00%	\$66
394	Laboratory Equipment	0	0	0	0		0.00%	\$0
395	Power Operated Equipment	0	0	0	0		0.00%	\$0
396	Communication Equipment	0	0	0	0		0.00%	\$0
397	Miscellaneous Equipment	0	0	0	0		0.00%	\$0
398	Other Tangible Plant	0	0	0	0		0.00%	\$0
	Subtotal	\$583,837	\$3,253	\$0	\$587,090	\$284,221		\$19,872

Contribution(s) in Aid of Construction (Gross)	\$132,017
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	82,012
Amortizable Contribution(s)	\$50,005
Times: Proposed Amortization Rate	2.40%
Amortization of CIAC	\$1,204

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Clear Springs Utility Company, Inc.
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		\$24,331	\$27,155
132	Special Deposits			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		14,886	13,907
142	Other Accounts Receivable			
143	Accumulated Provision for Uncollectable Accounts			
146	Notes Receivable from Associated Companies		(7,517)	
151	Plant Material and Supplies			
162	Prepayments		793	2,358
173	Accrued Utility Revenue			
174	Miscellaneous Current and Accrued Assets		40,681	35,420
	Total Current and Accrued Assets		\$73,173	\$78,840
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$583,837	\$587,090
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(359,074)	(378,947)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$224,763	\$208,143
	Total Assets		\$297,936	\$286,983

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.

Clear Springs Utility Company, Inc.
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		\$41,381	\$1,438
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			91,067
235	Customer Deposits		6,850	8,039
236	Accrued Taxes		3,192	3,714
237	Accrued Interest			
241	Miscellaneous Current and Accrued Liabilities		122	153
253	Other Deferred Credits			
	Total Current Liabilities		\$51,545	\$104,411
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$111,114	\$105,233
	Total Long Term Debt		\$111,114	\$105,233
	Deferred Credits			
252	Advances in Aid of Construction		\$0	\$0
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		132,017	132,017
272	Less: Amortization of Contributions		(97,286)	(98,490)
281	Accumulated Deferred Income Tax		8,655	
	Total Deferred Credits		\$43,386	\$33,527
	Total Liabilities		\$206,045	\$243,171
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		798,127	798,127
215	Retained Earnings		(706,236)	(754,315)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$91,891	\$43,812
	Total Liabilities and Capital		\$297,936	\$286,983

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!

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
521	Flat Rate Revenues	\$0	\$0
522	Measured Revenues	68,189	74,548
534	Rents from Wastewater Property		
536	Other Wastewater Revenues	23,520	24,725
	Total Revenues	\$91,709	\$99,273
	Operating Expenses		
701	Salaries and Wages	\$0	\$0
704	Employee Pensions and Benefits		
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		
715	Purchased Power	2,622	2,065
716	Fuel for Power Production		
718	Chemicals		
720	Materials and Supplies		
720.1	Repairs and Maintenance	2,688	809
720.2	Office Supplies and Expense		
721	Office Expense	2,796	1,274
731	Contractual Services -Engineering		
732	Contractual Services - Accounting	351	361
733	Contractual Services - Legal	124	180
734	Contractual Services - Management Fees	105,632	47,226
735	Contractual Services - Testing	1,287	2,443
736	Contractual Services - Other	1,000	
740	Rents - Building		
742	Rents - Equipment		
750	Transportation Expenses	1,154	2,964
757	Insurance - General Liability	3,418	2,203
758	Insurance - Worker's Compensation	123	
759	Insurance - Other		
760	Advertising Expense		
766	Regulatory Commission Expense - Rate Case		
767	Regulatory Commission Expense - Other		1,018
770	Bad Debt Expense	647	(21)
775	Miscellaneous Expense	1,545	1,567
403	Depreciation Expense (From Schedule AR4)	18,669	18,633
408	Taxes Other Than Income		
408.11	Property Taxes	5,625	5,346
408.12	Payroll Taxes		
409	Income Taxes	(15,356)	1,294
	Total Operating Expenses	\$132,325	\$87,362
	Operating Income / (Loss)	(\$40,616)	\$11,911
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	2,791	2,611
421	Non-Utility Income	311	737
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(8,902)	(9,240)
	Total Other Income / (Expense)	(\$5,800)	(\$5,891)
	Net Income / (Loss)	(\$46,416)	\$6,020

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.

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			unable to	0.0
Engineering Staff			determine	0.0
System Operator(s)			without	0.0
Customer Service			significant	0.0
Accounting			analysis	0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				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.

Clear Springs Utility Company, Inc.
 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	7/20/2018			
Source of Loan	CoBank			
ACC Decision No.	76717			
Reason for Loan	System Improvements			
Dollar Amt. Issued	131,419			
Amount Outstanding	105,232			
Date of Maturity	12/20/2038			
Interest Rate	5.86%			
Current Year Interest	8,902			
Current Year Principal	5,891			

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

<u>Name of System:</u>	Clear Springs Sewer Division
<u>Wastewater Inventory Number (if applicable):</u>	N/A
<u>Type of Treatment</u>	Anaerobic Lagoon
<u>Design Capacity of Plant (Gallons per day)</u>	300,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
SW corner Ford/Allen	2	7.5	1,200	2,000	1972

FORCE MAINS

Size	Material	Length (Feet)
8 inch	AC	1,200

MANHOLES

Type	Quantity
Standard	160
Drop	0

CLEANOUTS

Quantity
11

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.

Wastewater Utility Plant Description (Continued)					
GRAVITY MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
6	AC	1,225	4	AC	391
6	PVC	3,730			
8	AC	24,200			
8	CLAY	56,000			
12	AC	3,000			

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

SOLIDS PROCESSING AND HANDLING FACILITIES	Three clay lined ponds with aeration and one unlined pond for percolation
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	N/A
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	N/A
STRUCTURES (Buildings, Fences, Etc.)	Fencing around lagoons
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Two 500 gpm, 7.4 hp, 460 volt, 1750 rpm submersible sewage pumps and Duplex electrical control panel; one 22 kw generator LP and 250 gallon LP tank.

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.

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	358	914,545	48,575	\$377	1,760
February	358	867,238	51,445	529	2,585
March	360	1,088,386	66,850	262	1,150
April	361	987,005	38,436	343	1,767
May	361	926,769	32,280	205	856
June	360	1,023,600	37,583	120	296
July	359	1,005,141	37,583	119	294
August	361	939,553	34,221	115	269
September	361	937,250	33,485	133	255
October	363	985,457	33,459	154	273
November	364	987,905	35,178	154	251
December	365	1,061,383	36,697	111	275
	Totals	11,724,232	485,792	\$2,622	10,031

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Evaporation Ponds
Groundwater Permit Number	100824
ADEQ Aquifer Protection Permit ("APP") Number	P100824
ADEQ Reuse Permit Number	N/A
EPA NPDES Permil Number	N/A
APP Effluent Treatment Requirement (Class)?	N/A
Permitted Flow Rate	0.069 MGD
Permitted Organic Capacity	No limit specified
Hydraulic Capacity	No limit specified
Type of Biological Treatment	N/A

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

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 relevent 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:
$$\text{ERC} = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

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.

None - did make significant improvements in 2019.

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.

NA

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

If so, when?

NA

Clear Springs Utility Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of System:	Clear Springs Sewer Division
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):

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.

Clear Springs Utility Company, Inc.
Annual Report
Property Taxes
12/31/23

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2023 was	
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\$5,485

If no property taxes paid, explain why.

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.

Verification and Sworn Statement (Taxes)

Verification: State of Arizona I, the undersigned of the
(state name)

County of (county name): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
Company name: Clear Springs Utility Company, Inc.

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.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

Bryan Thomas
signature of owner/official

623-935-1100
telephone no.