

**ANNUAL REPORT**

Of

Company Name:   
PO Box 786

Mailing Address: Desert Springs AZ  
86432

Docket No.: W-04049A  
For the Year Ended:

**RECEIVED  
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ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION**

**WATER 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:   
Application Date:

ARIZONA CORPORATION COMMISSION  
 WATER UTILITY ANNUAL REPORT  
 DS Water Company  
 A Class  Utility

For the Calendar Year Ended: 12/31/20

Primary Address: 

	P.O. Box 786		
City:	Littlefield	State:	Arizona
		Zip Code:	86432

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:

**On-Site Manager**

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

**Owner**

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

**NA**

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

**NA**

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

Ownership:

Counties Served:

<b>Important changes during the year</b>
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	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.
	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.
	Yes. We are working with ADEQ staff to resolve arsenic levels exceed the MCL. Anticipated resolution is expected in the second quarter of 2021.

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$1,057	\$0	\$0	\$1,057	\$0	\$1,057
302	Franchises	28,781	0	0	28,781	0	28,781
303	Land and Land Rights	30,000	0	0	30,000	0	30,000
304	Structures and Improvements	85,933	0	0	85,933	32,983	52,950
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	18,849	0	0	18,849	11,708	7,142
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	18,310	0	0	18,310	18,309	1
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	37,572	0	0	37,572	18,720	18,852
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	143,464	0	0	143,464	44,278	99,186
333	Services	21,830	0	0	21,830	13,886	7,944
334	Meters and Meter Installations	12,147	0	0	12,147	11,301	846
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	845	0	0	845	592	253
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	3,692	0	0	3,692	3,692	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	7,500	0	0	7,500	7,500	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,124	0	0	1,124	448	676
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	613	0	613	0	0	0
346	Communication Equipment	13,453	0	0	13,453	12,787	666
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$425,170</b>	<b>\$0</b>	<b>\$613</b>	<b>\$424,557</b>	<b>\$176,204</b>	<b>\$248,353</b>

DS Water Company  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/20

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$1,057	\$0	\$0	\$1,057	\$1,057	\$0	0.00%	\$0
302	Franchises	28,781	0	0	28,781	28,781	0	0.00%	0
303	Land and Land Rights	30,000	0	0	30,000	30,000	0	0.00%	0
304	Structures and Improvements	85,933	0	0	85,933	0	85,933	3.33%	2,864
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	18,849	0	0	18,849	0	18,849	3.33%	628
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	18,310	0	0	18,310	18,310	0	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	37,572	0	0	37,572	0	37,572	2.22%	835
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	143,464	0	0	143,464	0	143,464	2.00%	2,869
333	Services	21,830	0	0	21,830	0	21,830	3.33%	728
334	Meters and Meter Installations	12,147	0	0	12,147	8,390	3,757	8.33%	313
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	845	0	0	845	0	845	6.67%	56
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	3,692	0	0	3,692	3,692	0	20.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	7,500	0	0	7,500	7,500	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,124	0	0	1,124	0	1,124	5.00%	56
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	613	0	613	0	0	0	0.00%	11
346	Communication Equipment	13,453	0	0	13,453	7,360	6,093	10.00%	543
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$425,170</b>	<b>\$0</b>	<b>\$613</b>	<b>\$424,557</b>	<b>\$105,090</b>	<b>\$319,467</b>		<b>\$8,903</b>

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 2.79%  
**Amortization of CIAC** \$0

Less: Amortization of CIAC \$0

**DEPRECIATION EXPENSE** **\$8,903**

DS Water Company  
Annual Report  
Balance Sheet Assets  
12/31/20

<b>Balance Sheet Assets</b>				
	<b>Assets</b>		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$105,295	\$114,478
134	Working Funds		0	0
135	Temporary Cash Investments		0	2,523
141	Customer Accounts Receivable		2,189	14,513
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		1,795	1,795
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	<b>Total Current and Accrued Assets</b>		<b>\$109,279</b>	<b>\$133,309</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$425,170	\$424,557
103	Property Held for Future Use		0	0
105	Construction Work in Progress		1,000	0
108	Accumulated Depreciation <b>(enter as negative)*</b>		(167,819)	(176,204)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$258,351</b>	<b>\$248,353</b>
	<b>Total Assets</b>		<b>\$367,630</b>	<b>\$381,662</b>

\*Note these items feed automatically from AR3 UPIS Page 4

DS Water Company  
Annual Report  
Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$144,000	\$64,156
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		5,500	3,600
236	Accrued Taxes		1,468	823
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		2,810	2,799
	<b>Total Current Liabilities</b>		<b>\$153,778</b>	<b>\$71,378</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	1,300
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
	<b>Total Deferred Credits</b>		<b>\$0</b>	<b>\$1,300</b>
	<b>Total Liabilities</b>		<b>\$153,778</b>	<b>\$72,678</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$3,000	\$3,000
211	Other Paid-In Capital		980,213	980,213
215	Retained Earnings		(769,361)	(674,229)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>\$213,852</b>	<b>\$308,984</b>
	<b>Total Liabilities and Capital</b>		<b>\$367,630</b>	<b>\$381,662</b>

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

DS Water Company  
Annual Report  
Water Comparative Income Statement  
12/31/20

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2020 - 12/31/2020	Last Year 01/01/2019 - 12/31/2019
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$133,395	\$59,931
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	828	258
474	Other Water Revenue	5,800	87,002
	<b>Total Revenues</b>	<b>\$140,023</b>	<b>\$147,191</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$13,500
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	2,427	2,107
618	Chemicals	0	0
620	Materials and Supplies	3,466	7,219
620.1	Repairs and Maintenance	1,024	6
620.2	Office Supplies and Expense	887	866
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	2,525	3,846
633	Contractual Services - Legal	40,022	21,876
634	Contractual Services - Management Fees	18,001	51,543
635	Contractual Services - Water Testing	2,052	2,291
636	Contractual Services - Other	7,825	6,894
640	Rents	0	0
641	Rental of Building/Real Property	10,573	6,085
642	Rental of Equipment	0	0
650	Transportation Expenses	663	4,037
657	Insurance - General Liability	4,057	3,605
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	2,810	0
675	Miscellaneous Expense	6,298	4,938
403	Depreciation Expense (From Schedule AR4)	8,903	9,062
408	Taxes Other Than Income	0	1,075
408.11	Property Taxes	3,393	3,212
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$114,976</b>	<b>\$142,212</b>
	<b>Operating Income / (Loss)</b>	<b>\$25,048</b>	<b>\$4,979</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$103	\$105
421	Non-Utility Income	71,906	921
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(1,926)	0
	<b>Total Other Income / (Expense)</b>	<b>\$70,083</b>	<b>\$1,026</b>
	<b>Net Income / (Loss)</b>	<b>\$95,131</b>	<b>\$6,005</b>



**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President	0.0	0.1	0.1	0.2
Vice-president	0.0	0.1	0.1	0.2
Manager	0.0	0.3	0.3	0.6
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.3	0.3	0.6
Meter reader	0.0	0.2	0.2	0.4
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.1	0.1	0.2
Business Office	0.0	0.2	0.2	0.4
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
<b>Total</b>	0.0	1.3	1.3	2.6

<b>Supplemental Financial Data (Long-Term Debt)</b>				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	none	none	none	none
Source of Loan	none	none	none	none
ACC Decision No.	none	none	none	none
Reason for Loan	none	none	none	none
Dollar Amt. Issued	none	none	none	none
Amount Outstanding	none	none	none	none
Date of Maturity	none	none	none	none
Interest Rate	none	none	none	none
Current Year Interest	none	none	none	none
Current Year Principal	none	none	none	none

Meter Deposit Balance at Test Year End:	\$3,600
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Meter Deposits Refunded During the Test Year:	\$3,500
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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.***

**Well and Water Usage**

Name of the System: DS WATER COMPANY											
ADEQ Public Water System Number:		AZ0408072									
ADWR PCC Number:		91-000340.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2020	Meter Size (inches)	How measured:	Active
55-512262	20	190	51	8	submersible	1985	n/a	n/a	6	Metered	Yes
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Name of system water delivered to: DS WATER COMPANY	
ADWR PCC Number:	91-000340.0000
Source of water delivered to another system	Other
Name of system water received from: DS WATER COMPANY	
ADWR PCC Number:	91-000340.0000
Source of water received	Other
Well registry 55# (55-XXXXXX):	55512262

Month	Water withdrawn (gallons) <sup>1</sup>	Water sold (gallons) <sup>2</sup>	Water delivered (sold) to other systems (gallons) <sup>3</sup>	Water received (purchased) from other systems (gallons) <sup>4</sup>	Estimated authorized use (gallons) <sup>5</sup>	Purchased Power Expense <sup>6</sup>	Purchased Power (kWh) <sup>7</sup>
January	2	2	0	0	0	\$143	1,334
February	2	2	0	0	0	167	1,741
March	3	3	0	0	0	197	2,262
April	3	3	0	0	0	159	1,614
May	3	3	0	0	0	196	2,240
June	4	4	0	0	0	230	2,824
July	3	3	0	0	0	239	2,975
August	3	3	0	0	0	243	3,045
September	3	3	0	0	0	229	2,805
October	3	3	0	0	0	230	2,829
November	1	2	0	0	0	78	1,751
December	2	2	0	0	0	156	1,562
<b>Totals</b>	<b>31.60</b>	<b>31.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$2,269</b>	<b>26,982</b>

If applicable, in the space below please provide a description for all un-metered water use along with amounts:  
n/a

<sup>1</sup> Water withdrawn - Total gallons of water withdrawn from pumped sources.  
<sup>2</sup> Water sold - Total gallons from customer meters, and other sales such as construction water.  
<sup>3</sup> Water delivered (sold) to other systems - Total gallons of water delivered to other systems.  
<sup>4</sup> Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.  
<sup>5</sup> Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.  
<sup>6</sup> Enter the total purchased power costs for the power meters associated with this system.  
<sup>7</sup> Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description	
Name of the System:	DS WATER COMPANY
ADEQ Public Water System Number:	AZ0408072
ADWR PCC Number:	91-000340.0000

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	6,104
4.00	PVC C900	19,118
6.00	PVC C900	4,285
8.00	PVC C900	3,200
6.00	HDPE	700
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

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	104	0%	83%
1	4	0%	25%
1.5	1	0%	0%
2	1	0%	0%
Compound 6	1	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%

SERVICE LINES		
Material	Percent of system	Year installed
PVC	98%	n/a
HDPE	2%	n/a
NA	0%	n/a
NA	0%	n/a
NA	0%	n/a

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5 HP (5DB2)	n/a	3
0	n/a	0
0	n/a	0
0	n/a	0

FIRE HYDRANTS	
Type	Quantity
Standard *	none
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
37,000	metal	2	1985
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
119 Gallons	n/a	4 installed	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a

\* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

<b>Water Utility Plant Description (Continued)</b>
--

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

<b>TREATMENT EQUIPMENT:</b>	None
<b>STRUCTURES:</b>	Well House/Pressurization House
<b>OTHER:</b>	6" line under Virgin River. 700 ft. of 6" HDPE Pipe / 390' Pipe (12" Welded Steel Sleeve) underneath I-15 @ Farm Road

Provide a calculation used to determine the value of one water 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
- (b) If no historical flow data are available, use:  
 $ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day} )$

ERC	227
Method used:	(a)

Customer and Other Information	
Name of the System:	DS WATER COMPANY
ADEQ Public Water System Number:	AZ0408072
ADWR PCC Number:	91-000340.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	95	1	4	0	0
February	95	1	4	0	0
March	91	1	4	0	0
April	91	1	5	0	0
May	87	1	5	0	0
June	83	1	7	0	0
July	83	1	8	0	0
August	83	1	8	0	0
September	82	1	9	0	0
October	82	1	9	0	0
November	81	1	9	0	0
December	81	1	9	0	0

If the system has fire hydrants, what is the fire flow requirements?  GPM for  hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?   
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?   
 If yes, which AMA?

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.  
 Arsenic treatment installation expected to be completed in second quarter of 2021. When completed, we anticipate capacity to deliver up to 86,400 gallons of drinking water per day. Arsenic treatment capacity will be the primary limiting factor on water generation and is scaleable based on system demand.

\* an ERC is based on the calculation on the bottom of AR9 page 12.

DS Water Company  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	DS WATER COMPANY
ADEQ Public Water System Number:	AZ0408072
ADWR PCC Number:	91-000340.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-	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	2	0
October	0	0	0
November	0	1	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>3</b>	<b>0</b>

**Other (description):**

none
------

**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 2020 was	
--	--

	\$3,393
--	---------

If no property taxes paid, explain why.
---

n/a
-----

<b>Instructions:</b> 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): Mohave  
Name (owner or official) title: David D. West, Corporate Secretary  
Company name: DS Water Company

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

FOR THE YEAR ENDING: 12/31/20

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.

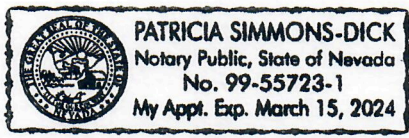
[Signature]  
signature of owner/official

928-347-5467  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY

THIS April 05 DAY OF Clark  
(month) and (year)

MY COMMISSION EXPIRES 03/15/2024  
(date)



[Signature]  
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name):

Mohave

Name (owner or official) title:

David D. West, Corporate Secretary

Company name:

DS Water Company

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

FOR THE YEAR ENDING: 12/31/20

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: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

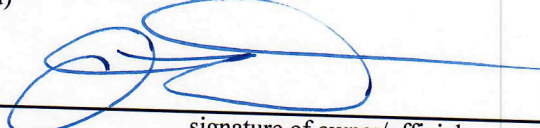
Arizona Intrastate Gross Operating Revenues Only (\$)

\$146,795

(The amount in the box above includes

\$6,772 in sales taxes

billed or collected)

  
signature of owner/official

928-347-5467

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY

Clark

(county name)

THIS

05<sup>th</sup>

DAY OF

04/2021


(month) and (year)

MY COMMISSION EXPIRES

03/15/2024

(date)



  
(signature of notary public)

**Verification and Sworn Statement (Residential Revenue)**

**Verification:**

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

County of (county name): Mohave  
Name (owner or official) title: David D. West, Corporate Secretary  
Company name: DS Water Company

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

FOR THE YEAR ENDING: 12/31/20

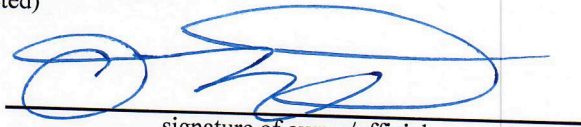
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND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

**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$94,902

(The amount in the box above includes  
\$4,948 in sales taxes  
billed or collected)

  
signature of owner/official

928-347-5467  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY

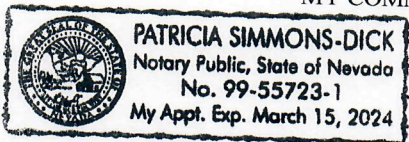
Clark  
(county name)

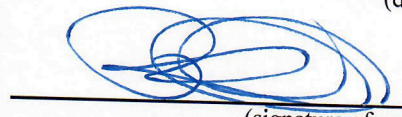
THIS 05<sup>th</sup>

DAY OF 04/2021  
(month) and (year)

MY COMMISSION EXPIRES

03/15/2024  
(date)



  
(signature of notary public)

**Full Gross-up Method for Income Tax Statement of Certification**

**Verification:**

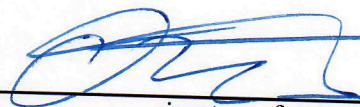
State of Arizona I, the undersigned of the  
(state name)

County of (county name): Mohave  
Name (owner or official) title: David D. West, Corporate Secretary  
Company name: DS Water Company

FOR THE YEAR ENDING: 12/31/20

**Sworn Statement:**

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

  
\_\_\_\_\_  
signature of owner/official

\_\_\_\_\_  
928-347-5467  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY

Clark  
\_\_\_\_\_  
(county name)

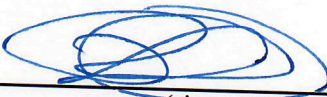
THIS 05

DAY OF 04/2021  
\_\_\_\_\_  
(month) and (year)

MY COMMISSION EXPIRES

03/15/2024  
\_\_\_\_\_  
(date)



  
\_\_\_\_\_  
(signature of notary public)