

ANNUAL REPORT

Of

Company Name: Martinez Lake Sewer Company
SW-04123A

Mailing Address: 10430 E. Martinez Lake Road
Yuma, AZ 85365

Docket No.:
For the Year Ended: 12/31/17

RECEIVED
MAY 17 2018
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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: Original Filing
Application Date:

5-30-18

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT

0

A Class Utility

1. For the Calendar Year Ended: 12/31/17

2. Address:

10430 E. Martinez Lake Road			
City:	Yuma	State:	AZ
		Zip Code:	85365

3. Telephone Number: 928-783-9589

4. Date of Original Organization of Utility: 7/2/2002

5. Person to whom correspondence should be addressed concerning this report:

Name: Laura Guth
Telephone No. : 619-895-5115
Address:

10430 E. Martinez Lake Road			
City:	Yuma	State:	AZ
		Zip Code:	85365

Email: info@martinezlake.com

6. On-Site Manager:

Name: Laura Guth
Telephone No. : 619-895-5115
Address:

10430 E. Martinez Lake Road			
City:	Yuma	State:	AZ
		Zip Code:	85365

Email: info@martinezlake.com

7. Ownership: John W. and Gail W. Guth Family Trust 9/1/99

8. Counties Served: Yuma

WILLIAM M. CLEMENTS

CERTIFIED PUBLIC ACCOUNTANT

1421 S. Fifth Avenue
Yuma, Arizona 85364
(928) 782-7503
FAX (928) 782-6845
wmccpa@c2i2.com

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MAY 17 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

To Management
Martinez Lake Sewer Company
Yuma, AZ

May 8, 2018

Management is responsible for the accompanying financial statements of Martinez Lake Sewer Company (a corporation), which comprises the balance sheet as of December 31, 2017 and 2016, and the related statements of income and supplementary information for the years then ended, included in the accompanying prescribed form in accordance with accounting principles generally accepted in the United States of America. I have preformed a compilation engagement in accordance with Statements of Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements included in the accompanying prescribed form nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, not provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Arizona Corporation Commission, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of Martinez Lake Sewer Company and the Arizona Corporation Commission, and is not intended to be and should not be used by anyone other than these specified parties.

I am not independent with respect to Martinez Lake Sewer Company.



William M. Clements
Certified Public Accountant

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
352	Franchises				0		0
353	Land and Land Rights				0		0
354	Structures and Improvements				0		0
355	Power Generation Equipment				0		0
360	Collections Wastewater - Force				0		0
361	Collections Wastewater - Gravity				0		0
362	Special Collecting Structures				0		0
363	Services to Customers				0		0
364	Flow Measuring Devices				0		0
365	Flow Measuring Installations				0		0
366	Reuse Services				0		0
367	Reuse Meters & Meter Installations				0		0
370	Receiving Wells				0		0
371	Pumping Equipment				0		0
374	Reuse Distribution Reservoirs				0		0
375	Reuse Trans. And Distr. Equipment				0		0
380	Treatment and Disposal Equipment				0		0
381	Plant Sewers				0		0
382	Outfall Sewer Lines				0		0
389	Other Plant and Misc. Equipment				0		0
390	Office Furniture and Equipment				0		0
390.1	Computer & Software				0		0
391	Transportation Equipment				0		0
392	Stores Equipment				0		0
393	Tools, Shop and Garage Equipment				0		0
394	Laboratory Equipment				0		0
395	Power Operated Equipment				0		0
396	Communication Equipment				0		0
397	Miscellaneous Equipment				0		0
398	Other Tangible Plant				0		0
	Totals	\$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.

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Annual Report
 Depreciation Expense for the Current Year (Wastewater)
 12/31/17

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
352	Franchises	0	0	0	0			0
353	Land and Land Rights	0	0	0	0			0
354	Structures and Improvements	0	0	0	0			0
355	Power Generation Equipment	0	0	0	0			0
360	Collections Wastewater - Force	0	0	0	0			0
361	Collections Wastewater - Gravity	0	0	0	0			0
362	Special Collecting Structures	0	0	0	0			0
363	Services to Customers	0	0	0	0			0
364	Flow Measuring Devices	0	0	0	0			0
365	Flow Measuring Installations	0	0	0	0			0
366	Reuse Services	0	0	0	0			0
367	Reuse Meters & Meter Installations	0	0	0	0			0
370	Receiving Wells	0	0	0	0			0
371	Pumping Equipment	0	0	0	0			0
374	Reuse Distribution Reservoirs	0	0	0	0			0
375	Reuse Trans. And Distr. Equipment	0	0	0	0			0
380	Treatment and Disposal Equipment	0	0	0	0			0
381	Plant Sewers	0	0	0	0			0
382	Outfall Sewer Lines	0	0	0	0			0
389	Other Plant and Misc. Equipment	0	0	0	0			0
390	Office Furniture and Equipment	0	0	0	0			0
390.1	Computer & Software	0	0	0	0			0
391	Transportation Equipment	0	0	0	0			0
392	Stores Equipment	0	0	0	0			0
393	Tools, Shop and Garage Equipment	0	0	0	0			0
394	Laboratory Equipment	0	0	0	0			0
395	Power Operated Equipment	0	0	0	0			0
396	Communication Equipment	0	0	0	0			0
397	Miscellaneous Equipment	0	0	0	0			0
398	Other Tangible Plant	0	0	0	0			0
	Subtotal	\$0	\$0	\$0	\$0	\$0		\$0

Contribution(s) in Aid of Construction (Gross)
 Less: Non Amortizable Contribution(s)
 Fully Amortized Contribution(s)
 Amortizable Contribution(s)
 Times: Proposed Amortization Rate
Amortization of CIAC

\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		1,526	232
132	Special Deposits			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		27,543	31,465
142	Other Accounts Receivable			
143	Accumulated Provision for Uncollectable Accounts			
146	Notes Receivable from Associated Companies		118,446	129,736
151	Plant Material and Supplies			
162	Prepayments			
173	Accrued Utility Revenue			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		147,515	161,433
	Deferred Debits			
186.1	Deferred Rate Case Expense			
	Total Deferred Debits		\$0	\$0
	Deferred Tax Benefit of NOL		715	
	Fixed Assets			
101	Utility Plant in Service*		\$0	\$0
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*			0
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$0	\$0
	Total Assets		148,230	161,433

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

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 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable			1,500
232	Notes Payable (Current Portion)		150,059	156,273
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes		673	622
237	Accrued Interest			
241	Miscellaneous Current and Accrued Liabilities		700	575
253	Other Deferred Credits			
	Total Current Liabilities		151,432	158,970
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$0	\$0
	Total Liabilites		\$0	\$0
	Capital Accounts			
201	Common Stock Issued		1,000	1,000
211	Other Paid-In Capital			
215	Retained Earnings		(4,202)	1,463
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		(3,202)	2,463
	Total Liabilities and Capital		148,230	161,433

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!

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Annual Report
Wastewater Comparative Income Statement
12/31/17

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
521	Flat Rate Revenues	31,442	24,809
522	Measured Revenues		
534	Rents from Wastewater Property		
536	Other Wastewater Revenues		
	Total Revenues	31,442	24,809
	Operating Expenses		
701	Salaries and Wages		
704	Employee Pensions and Benefits		
710	Purchased Wastewater Treatment	3,600	3,600
711	Sludge Removal Expense		
715	Purchased Power	344	308
716	Fuel for Power Production		
718	Chemicals		
720	Materials and Supplies		
720.1	Repairs and Maintenance	6,188	
720.2	Office Supplies and Expense	23	
721	Office Expense		
731	Contractual Services - Engineering		
732	Contractual Services - Accounting	1,550	
733	Contractual Services - Legal		
734	Contractual Services - Management Fees		
735	Contractual Services - Testing		
736	Contractual Services - Other Sewage Transfer	6,467	
740	Rents - Building		
742	Rents - Equipment		
750	Transportation Expenses		
757	Insurance - General Liability		
758	Insurance - Worker's Compensation		
759	Insurance - Other		
760	Advertising Expense		
766	Regulatory Commission Expense - Rate Case		
767	Regulatory Commission Expense - Other		
770	Bad Debt Expense		
775	Miscellaneous Expense	9	2,870
403	Depreciation Expense (From Schedule AR4)		
408	Taxes Other Than Income	45	41
408.11	Property Taxes		
408.12	Payroll Taxes		
409	Income Taxes	1,337	2,707
	Total Operating Expenses	19,563	9,526
	Operating Income / (Loss)	11,879	15,283
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions		
419	Interest and Dividend Income		
421	Non-Utility Income		2,053
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(6,213)	(5,814)
	Total Other Income / (Expense)	(6,213)	(3,761)
	Net Income / (Loss)	5,668	11,522

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.

Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/17

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

Meter Deposit Balance at Test Year End:

Meter Deposits Refunded During the Test Year:

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.

Annual Report
Wastewater Utility Plant Description
12/31/17

Wastewater Utility Plant Description	
Name of System:	Martinez Lake Sewer Company
Wastewater Inventory Number (if applicable):	
Type of Treatment	Collection System
Design Capacity of Plant (Gallons per day)	75,000

LIFT STATION FACILITIES				
Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)

FORCE MAINS		
Size	Material	Length (feet)

MANHOLES	
Type	Quantity
Standard	
Drop	

CLEANOUTS
Quantity

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)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity

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

SOLIDS PROCESSING AND HANDLING FACILITIES	
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	
STRUCTURES (Buildings, Fences, Etc.)	
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	

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.

Annual Report
 Wastewater Flows
 12/31/17

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	66	176,000	*		
February	69	184,000	*		
March	69	184,000	*		
April	70	186,600	*		
May	71	189,300	*		
June	71	189,300	*		
July	71	189,300	*		
August	71	189,300	*		
September	71	189,300	*		
October	71	189,300	*		
November	72	192,000	*		
December	72	192,000	*		
	Totals	2,250,400	0	\$0	0

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	
Groundwater Permit Number	
ADEQ Aquifer Protection Permit ("APP") Number	
ADEQ Reuse Permit Number	
EPA NPDES Permil Number	
APP Effluent Treatment Requirement (Class)?	

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.

* Estimated, meter broke. Fisher's Landing, who processes sewage, has agreed to accept \$300 per month for processing sewage. The meter was obsolete and parts to repair the meter have not been found.

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Annual Report
Utility Shutoffs / Disconnects
12/31/17

Name of System:	Martinez Lake Sewer Company
Wastewater Inventory Number (if applicable):	0

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

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Annual Report
Property Taxes
12/31/17

Property Taxes

Amount of actual property taxes paid during Calendar Year 2017 was

If no property taxes paid, explain why.

No property is owned by Martinez Lake Sewer Company.

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, the undersigned of the
(state name)

County of (county name): Yuma
Name (owner or official) title: Laura Guth, Vice President
Company name: Martinez Lake Sewer Company

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

FOR THE YEAR ENDING: 12/31/17

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.

Laura Guth
signature of owner/official

619-895-5115
telephone no.

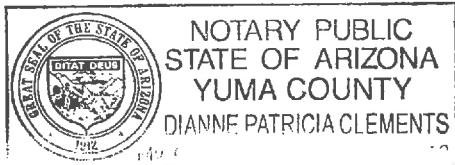
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Yuma, AZ
(county name)
May 2018
(month) and (year)

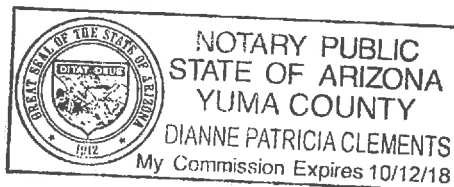
THIS 14th DAY OF

MY COMMISSION EXPIRES

October 12, 2018
(date)



Dianne Patricia Clements
(signature of notary public)



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APR 30 2018

Verification and Sworn Statement

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification:

State of Arizona 0 I, the undersigned of the
(state name)
County of (county name): Yuma 0
Name (owner or official) title: Laura Guth, Vice President 0
Company name: Martinez Lake Sewer Company 0

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)
31,442
(The amount in the box above includes
-0- in sales taxes
billed or collected)

Laura Guth

signature of owner/official

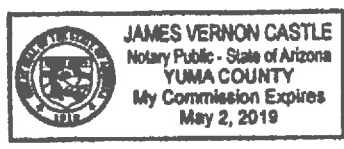
619-895-5115 0

telephone no.

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

THIS 29 DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES MAY 2 2018
(date)



James V Castle
signature of notary public

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APR 30 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Yuma
Name (owner or official) title: Laura Guth, Vice President
Company name: Martinez Lake Sewer Company

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)

26,868

(The amount in the box above includes

-0- in sales taxes billed or collected)

Laura Guth

signature of owner/official

619-895-5115 0

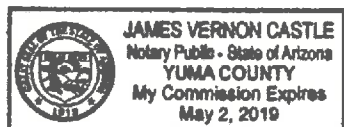
telephone no.

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

YUMA
(county name)

THIS 29 DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES May 2 2019
(date)



James V Castle
(signature of notary public)