

ANNUAL REPORT

Of

Company Name: Clear Springs Utility Company, Inc.-Water

Mailing Address: PO Box 85160
Tucson, AZ 85754

Docket No.: WS-01689A
For the Year Ended: 12/31/2016

RECEIVED
MAY 01 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER 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, AZ 85007

Application Type: Original Filing
Application Date: 2016

5-1-17

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Clear Springs Utility Company, Inc.-Water

A Class E Utility - Note: water and sewer combined are Class D

1. For the Calendar Year Ended 12/31/2016

2. Address:

PO Box 85160					
City:	Tucson	State:	AZ	Zip Code:	85754

3. Telephone Number:

520.623.5712

4. Date of Original Organization of Utility:

1959

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

Name:	Bonnie O'Connor				
Telephone No. :	520.623.5712				
Address:	PO Box 85160				
City:	Tucson	State:	AZ	Zip Code:	85754
Email:	info@southwesternutility.com				

6. On-Site Manager:

Name:	Keith Dojaquez				
Telephone No. :	520.623.5712				
Address:	PO Box 85160				
City:	Tucson	State:	AZ	Zip Code:	85754
Email:	info@southwesternutility.com				

7. Ownership:

Corporation

8. Counties Served:

Cochise

Clear Springs Utility Company, Inc.-Water
Annual Report
Utility Plant in Service (Water)
12/31/2016

Utility Plant in Service (Water)				
Account No.	Description	Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$ 1,625		\$ 1,625
302	Franchises	-		-
303	Land and Land Rights	210		210
304	Structures and Improvements	29,691	28,614	1,077
305	Collecting & Improving Reservoirs	-		-
306	Lake, River, Canal Intakes	-		-
307	Wells and Springs	186,615	180,403	6,212
308	Infiltration Galleries	-		-
309	Supply Mains	-		-
310	Power Generation Equipment	-		-
311	Pumping Equipment	274,603	215,323	59,279
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	-		-
320.2	Solution Chemical Feeders	5,150	4,862	288
320.3	Point-of-Use Treatment Devices	-		-
330	Distribution Reservoirs and Standpipes	16,011	16,011	-
330.1	Storage Tanks	162,815	116,648	46,168
330.2	Pressure Tanks	5,634	141	5,494
331	Transmission and Distribution Mains	358,380	338,427	19,954
333	Services	125,518	102,927	22,592
334	Meters and Meter Installations	102,521	83,944	18,577
335	Hydrants	12,214	10,157	2,057
336	Backflow Prevention Devices	-		-
339	Other Plant and Misc. Equipment	-		-
340	Office Furniture and Equipment	-		-
340.1	Computers & Software	-		-
341	Transportation Equipment	-		-
342	Stores Equipment	-		-
343	Tools, Shop and Garage Equipment	-		-
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communications Equipment	1,937	97	1,840
347	Miscellaneous Equipment	-		-
348	Other Tangible Plant	-		-
	Totals	\$ 1,282,924	\$ 1,097,553	\$ 185,371

Clear Springs Utility Company, Inc.-Water
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/2016

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Original Cost	Current Year Additions	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$ 1,625	\$ -	\$ 1,625	\$ 1,625	\$ -	0.00%	\$ -
302	Franchises			-		-		-
303	Land and Land Rights	210		210	210	-	0.00%	-
304	Structures and Improvements	29,015	676	29,691	28,565	1,126	3.33%	26
305	Collecting & Improving Reservoirs			-		-		-
306	Lake, River, Canal Intakes			-		-		-
307	Wells and Springs	186,615		186,615	179,255	7,360	3.33%	245
308	Infiltration Galleries			-		-		-
309	Supply Mains			-		-		-
310	Power Generation Equipment			-		-		-
311	Pumping Equipment	235,775	38,827	274,603	121,259	153,344	12.50%	16,741
320	Water Treatment Equipment			-		-		-
320.1	Water Treatment Plants			-		-		-
320.2	Solution Chemical Feeders	5,150		5,150	4,574	576	20.00%	115
320.3	Point-of-Use Treatment Devices			-		-		-
330	Distribution Reservoirs and Standpipes	16,011		16,011	16,011	-	2.22%	-
330.1	Storage Tanks	145,423	17,392	162,815		162,815	2.22%	3,421
330.2	Pressure Tanks		5,634	5,634		5,634	5.00%	141
331	Transmission and Distribution Mains	355,402	2,978	358,380		358,380	2.00%	7,138
333	Services	125,518		125,518		125,518	3.33%	4,180
334	Meters and Meter Installations	101,942	579	102,521	66,606	35,915	8.33%	2,968
335	Hydrants	12,214		12,214	9,850	2,364	2.00%	47
336	Backflow Prevention Devices			-		-		-
339	Other Plant and Misc. Equipment			-		-		-
340	Office Furniture and Equipment			-		-		-
340.1	Computers & Software			-		-		-
341	Transportation Equipment			-		-		-
342	Stores Equipment			-		-		-
343	Tools, Shop and Garage Equipment			-		-		-
344	Laboratory Equipment			-		-		-
345	Power Operated Equipment			-		-		-
346	Communications Equipment		1,937	1,937		1,937	10.00%	97
347	Miscellaneous Equipment			-		-		-
348	Other Tangible Plant			-		-		-
	Subtotal	\$ 1,214,901	\$ 68,023	\$ 1,282,924	\$ 427,955	\$ 854,969		\$ 35,119

Contribution(s) in Aid of Construction (Gross)	\$	312,887
Less: Non Amortizable Contributions(s)		-
Fully Amortized Contributions(s)		(226,579)
Amortizable Contribution(s)	\$	86,309
Times: Proposed Amortization Rate		3.03%
Amortization of CIAC	\$	2,615

Less: Amortization of CIAC \$ (2,615)

DEPRECIATION EXPENSE \$ 32,504

Clear Springs Utility Company, Inc.-Water
Annual Report
Balance Sheet Assets
12/31/2016

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current and Accrued Assets			
131	Cash		\$ 20,902	\$ 66,622
134	Working Funds			
135	Temporary Cash Investments		29,216	32,902
141	Customer Accounts Receivable		418	4,314
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$ 50,536	\$ 103,838
Account No.	Fixed Assets			
101	Utility Plant in Service		\$ 1,214,901	\$ 1,282,924
103	Property Held for Future Use			
105	Construction Work In Progress			17,773
108	Accumulated Depreciation - Utility Plant		(1,062,433)	(1,097,553)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$ 152,468	\$ 203,144
	Total Assets		\$ 203,004	\$ 306,982

Note: Water balance sheet includes all amounts not specifically attributed to the sewer division. Cash, security deposits, accounts receivable and payable and equity amounts for both divisions appears on the water balance sheet.

Clear Springs Utility Company, Inc.-Water
Annual Report
Balance Sheet Liabilities and Owners Equity
12/31/2016

Balance Sheet Liabilities and Owners Equity

		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
	Liabilities		
Account No.	Current Liabilities		
231	Accounts Payable	\$ 31,878	\$ 109,489
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	11,524	16,385
236	Accrued Taxes	786	1,041
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	Total Current Liabilities	\$ 44,188	\$ 126,915
	Long-Term Debt		
224	Long-Term Debt (Notes and Bonds)	\$ 59,571	\$ 164,005
	Deferred Credits		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	79,850	78,466
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	312,887	312,887
272	Less: Amortization of Contributions	(243,261)	(245,876)
281	Accumulated Deferred Income Tax		
	Total Deferred Credits	\$ 149,476	\$ 145,477
	Total Liabilities	\$ 253,235	\$ 436,397
	Capital Accounts		
201	Common Stock Issued	\$ 1,000	\$ 1,000
211	Other Paid-In Capital	1,839,934	1,839,934
215	Retained Earnings	(1,891,165)	(1,970,349)
218	Proprietary Capital (Sole Props and Partnerships)		
	Total Capital	\$ (50,231)	\$ (129,415)
	Total Liabilities and Capital	\$ 203,004	\$ 306,982

Note: Note: Water balance sheet includes all amounts not specifically attributed to the sewer division. Cash, security deposits, accounts receivable and payable and equity amounts for both divisions appears on the water balance sheet.

Clear Springs Utility Company, Inc.-Water
Annual Report
Water Comparative Income Statement
12/31/2016

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year	Last Year
		01/01/2016 - 12/31/2016	01/01/2015 - 12/31/2015
	Operating Revenue		
461	Metered Water Revenue	\$ 191,021	\$ 186,088
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)	9,000	
471	Miscellaneous Service Revenues		
474	Other Water Revenues	4,897	4,381
	Total Revenues	\$ 204,918	\$ 190,469
	Operating Expenses		
601	Salaries and Wages	\$ -	\$ -
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	26,521	23,945
618	Chemicals	580	1,221
620	Materials and Supplies		
621.1	Repairs and Maintenance	29,394	20,951
620.2	Office Supplies and Expense	6,763	3,708
630	Contractual Services		122,860
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	6,264	
633	Contractual Services - Legal	1,478	
634	Contractual Services - Management Fees	127,579	
635	Contractual Services - Water Testing	4,745	6,907
636	Contractual Services - Other	760	
640	Rents	1,800	1,113
642	Rental of Equipment		
650	Transportation Expenses	6,342	3,197
657	Insurance - General Liability	2,259	1,101
657.1	Insurance - Health and Life		
665	Regulatory Commission - Rate Case Expense	23,348	
670	Bad Debt Expense	740	
675	Miscellaneous Expense	1,338	931
403	Depreciation Expense (From Page 4)	32,504	29,299
408	Taxes Other Than Income		
408.11	Property Taxes	12,147	17,263
409	Income Taxes		
427.1	Customer Security Deposit Interest	461	454
	Total Operating Expenses	\$ 285,023	\$ 232,950
	Operating Income / (Loss)	\$ (80,105)	\$ (42,481)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$ 114	\$ 1,296
421	Non-Utility Income		79
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	(5,691)	(4,156)
	Total Other Income / (Expense)	\$ (5,577)	\$ (2,781)
	Net Income / (Loss)	\$ (85,682)	\$ (45,262)

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/2016

Supplemental Financial Data (Long-Term Debt)

	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	6/1/2001	5/23/2006	11/20/2015	8/17/2016
Source of Loan	WIFA	WIFA	WIFA	Annece Capital
ACC Decision No.	62583	68443	74037	75590
Reason for Loan	System Improvements	System Improvements	System Improvements	System Improvements
Dollar Amount Issued	\$ 80,000	\$ 40,640	\$ 154,794	\$ 70,400
Amount Outstanding	\$ 28,231	\$ 24,101	\$ 42,006	\$ 69,667
Date of Maturity	6/1/2021	5/1/2026	11/1/2035	8/17/2036
Interest Rate	6.750%	6.380%	4.463%	4.463%
Current Year Interest	\$ 2,097	\$ 1,610	\$ 747	\$ 1,043
Current Year Principal	\$ 5,202	\$ 2,037	\$ 2,945	\$ 733

Meter Deposit Balance at Year End:	\$ 8,673
------------------------------------	----------

Meter Deposits Refunded During the Year:	\$ 1,052
--	----------

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.

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Utility Plant Description
 12/31/2016

Water Utility Plant Description
--

Name of the System:	Main System
ADEQ Public Water System Number:	02-008

WELLS								
ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
55-603877	30	180	800	16	Submersible	4	1964	<0.001
55-502128	50	300	700	16	Submersible	6	1982	0.001

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
20.0		2

FIRE HYDRANTS	
Type	Quantity
Standard ***	73
Other	

STORAGE TANKS		
Capacity	Material	Quantity
100,000	Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
5,000	3

* Arizona Department of Water Resources ("ADWR") well identification number.

** Pump motor type, turbine or submersible.

*** 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.

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Utility Plant Description (Continued)
 12/31/2016

Water Utility Plant Description (Continued)

Name of the System:	Main System
ADEQ Public Water System Number:	02-008

MAINS		
Size (inches)	Material	Length (feet)
2	Galv	200
2	PVC	1,036
3	AC	10,698
3	PVC	360
4	AC	3,020
4	PVC	3,339
5		
6	AC	29,495
6	PVC	3,040
8	AC	5,650
8	PVC	180
10	AC	6,985
12	AC	200

CUSTOMER METERS	
Size (inches)	Quantity
5/8 x 3/4	536
3/4	6
1	17
1 1/2	6
Compound 2	2
Turbine 2	
Compound 3	
Turbine 3	1
Compound 4	
Turbine 5	
Compound 6	
Turbine 6	
6+	

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

TREATMENT EQUIPMENT:	Two chlorinators
-----------------------------	------------------

STRUCTURES:	1313 Treasure Road building
--------------------	-----------------------------

OTHER:	
---------------	--

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Utility Plant Description
 12/31/2016

Water Utility Plant Description
--

Name of the System:	Well 3
ADEQ Public Water System Number:	02-048

WELLS								
ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
55-603879	5	25	442	6	Submersible	2	1966	N/A

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
7.5		1

FIRE HYDRANTS	
Type	Quantity
Standard ***	
Other	

STORAGE TANKS		
Capacity	Material	Quantity
5,000	Poly	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
85	3

* Arizona Department of Water Resources ("ADWR") well identification number.

** Pump motor type, turbine or submersible.

*** 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.

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Utility Plant Description (Continued)
 12/31/2016

Water Utility Plant Description (Continued)	
Name of the System:	Well 3
ADEQ Public Water System Number:	02-048

MAINS		
Size (inches)	Material	Length (feet)
2		
3		
4	PVC	1,500
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (inches)	Quantity
5/8 x 3/4	6
3/4	
1	
1 1/2	
Compound 2	
Turbine 2	
Compound 3	
Turbine 3	
Compound 4	
Turbine 5	
Compound 6	
Turbine 6	
6+	

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

TREATMENT EQUIPMENT:	
-----------------------------	--

STRUCTURES:	
--------------------	--

OTHER:	
---------------	--

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Utility Plant Description
 12/31/2016

Water Utility Plant Description
--

Name of the System:	Well 6
ADEQ Public Water System Number:	02-049

WELLS								
ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
55-588414	7.5	40	505	8	Submersible	2	2001	<0.001

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5.0		1

FIRE HYDRANTS	
Type	Quantity
Standard ***	
Other	

STORAGE TANKS		
Capacity	Material	Quantity
12,000	Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
3,000	1

* Arizona Department of Water Resources ("ADWR") well identification number.

** Pump motor type, turbine or submersible.

*** 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.

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Utility Plant Description (Continued)
 12/31/2016

Water Utility Plant Description (Continued)

Name of the System:	Well 6
ADEQ Public Water System Number:	02-049

MAINS		
Size (inches)	Material	Length (feet)
2		
3		
4	PVC	240
5		
6	AC	4,700
8		
10		
12		

CUSTOMER METERS	
Size (inches)	Quantity
5/8 x 3/4	19
3/4	
1	
1 1/2	
Compound 2	
Turbine 2	
Compound 3	
Turbine 3	
Compound 4	
Turbine 5	
Compound 6	
Turbine 6	
6+	

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

TREATMENT EQUIPMENT:	Chlorinator
-----------------------------	-------------

STRUCTURES:	
--------------------	--

OTHER:	
---------------	--

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Utility Plant Description
 12/31/2016

Water Utility Plant Description
--

Name of the System:	Well 7
ADEQ Public Water System Number:	02-050

WELLS								
ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
55-603880	3	15	535	6	Submersible	2	1969	N/A

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5.0		1

FIRE HYDRANTS	
Type	Quantity
Standard ***	
Other	

STORAGE TANKS		
Capacity	Material	Quantity
5,000	Poly	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
85	3

* Arizona Department of Water Resources ("ADWR") well identification number.

** Pump motor type, turbine or submersible.

*** 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.

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Utility Plant Description (Continued)
 12/31/2016

Water Utility Plant Description (Continued)

Name of the System:	Well 7
ADEQ Public Water System Number:	02-050

MAINS		
Size (inches)	Material	Length (feet)
2		
3		
4		
5		
6	AC	1,800
8		
10		
12		

CUSTOMER METERS	
Size (inches)	Quantity
5/8 x 3/4	9
3/4	
1	
1 1/2	
Compound 2	
Turbine 2	
Compound 3	
Turbine 3	
Compound 4	
Turbine 5	
Compound 6	
Turbine 6	
6+	

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

TREATMENT EQUIPMENT:	
-----------------------------	--

STRUCTURES:	
--------------------	--

OTHER:	
---------------	--

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Utility Plant Description
 12/31/2016

Water Utility Plant Description
--

Name of the System:	Well 9
ADEQ Public Water System Number:	02-051

WELLS								
ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
55-603882	5	25	675	8/6	Submersible	2	1970	N/A

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5.0		1

FIRE HYDRANTS	
Type	Quantity
Standard ***	
Other	

STORAGE TANKS		
Capacity	Material	Quantity
12,500	Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
1,000	1

* Arizona Department of Water Resources ("ADWR") well identification number.

** Pump motor type, turbine or submersible.

*** 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.

Water Utility Plant Description (Continued)

<u>Name of the System:</u>	Well 9	
<u>ADEQ Public Water System Number:</u>	02-051	

MAINS		
Size (inches)	Material	Length (feet)
2		
3		
4		
5		
6	AC	4,200
8		
10		
12		

CUSTOMER METERS	
Size (inches)	Quantity
5/8 x 3/4	10
3/4	
1	
1 1/2	
Compound 2	
Turbine 2	
Compound 3	
Turbine 3	
Compound 4	
Turbine 5	
Compound 6	
Turbine 6	
6+	

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

TREATMENT EQUIPMENT:	
-----------------------------	--

STRUCTURES:	
--------------------	--

OTHER:	
---------------	--

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Use Data Sheet
 12/31/2016

Water Use Data Sheet					
Name of the System:		Main System			
ADEQ Public Water System Number:		02-008			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	510	2320	3258	0	
February	513	1807	2133	0	
March	510	2130	2871	0	
April	509	2806	3309	0	
May	504	2840	4582	0	
June	507	3386	3805	0	
July	513	3230	3407	0	
August	512	2357	2675	0	
September	514	1914	2538	0	44
October	508	2259	2732	0	22
November	509	2249	2826	0	52
December	512	1279	1873	0	147
	Totals	28577	36009	0	265

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

Does the system have chlorination treatment?

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

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

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 January and March - flushing sewer. May - many leaks. September - leak at well 18. October - several leaks. November - several line repairs. December - large line break, flow test 22 hydrants and discovery of hydrants in field that have been assumed source of theft for many years.

¹ Gallons sold - Total gallons from customer meters.
² Gallons pumped - Total gallons from pumped sources.
³ Gallons purchased - Total gallons purchased from other sources.
⁴ Estimated gallons authorized use - Total estimated gallons from authorized meter or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Use Data Sheet
 12/31/2016

Water Use Data Sheet					
Name of the System:		Well 3			
ADEQ Public Water System Number:		02-048			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	6	18	20	0	
February	6	16	17	0	
March	6	33	34	0	
April	6	59	61	0	
May	6	85	88	0	
June	6	78	76	0	
July	6	57	57	0	
August	6	33	48	0	11
September	6	36	43	0	
October	6	29	38	0	
November	6	32	34	0	
December	6	32	34	0	
Totals		508	550	0	11

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

Does the system have chlorination treatment?

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

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

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

Filling storage tank and flushing system during August, possible well meter issue.

¹ Gallons sold - Total gallons from customer meters.
² Gallons pumped - Total gallons from pumped sources.
³ Gallons purchased - Total gallons purchased from other sources.
⁴ Estimated gallons authorized use - Total estimated gallons from authorized meter or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Use Data Sheet
 12/31/2016

Water Use Data Sheet					
Name of the System:		Well 6			
ADEQ Public Water System Number:		02-049			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	18	59	6	0	
February	18	43	42	0	
March	18	53	21	0	
April	18	124	112	0	
May	18	212	284	0	
June	18	240	252	0	
July	18	113	120	0	
August	17	115	117	0	
September	17	111	131	0	
October	17	111	101	0	
November	17	78	74	0	
December	17	18	19	0	
Totals		1277	1279	0	0

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

Does the system have chlorination treatment?

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

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

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

Well meter malfunctioning from January to April, check valve replacement in November.

¹ Gallons sold - Total gallons from customer meters.
² Gallons pumped - Total gallons from pumped sources.
³ Gallons purchased - Total gallons purchased from other sources.
⁴ Estimated gallons authorized use - Total estimated gallons from authorized meter or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Use Data Sheet
 12/31/2016

Water Use Data Sheet					
Name of the System:		Well 7			
ADEQ Public Water System Number:		02-050			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	7	35	47	0	
February	7	32	40	0	
March	7	33	40	0	
April	7	46	51	0	
May	7	55	60	0	
June	7	44	44	0	
July	7	33	35	0	
August	7	31	19	0	
September	7	24	19	0	
October	7	28	29	0	
November	7	26	28	0	
December	7	18	20	0	
	Totals	405	432	0	0

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

Does the system have chlorination treatment?

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

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

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

Well meter malfunction in August and replaced in September.

¹ Gallons sold - Total gallons from customer meters.
² Gallons pumped - Total gallons from pumped sources.
³ Gallons purchased - Total gallons purchased from other sources.
⁴ Estimated gallons authorized use - Total estimated gallons from authorized meter or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Water Use Data Sheet
 12/31/2016

Water Use Data Sheet					
Name of the System:		Well 9			
ADEQ Public Water System Number:		02-051			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	9	39	41	0	
February	9	57	61	0	
March	9	81	87	0	
April	9	61	66	0	
May	9	76	79	0	
June	9	86	90	0	
July	9	55	57	0	
August	9	23	26	0	
September	9	24	27	0	
October	9	29	32	0	
November	9	29	32	0	
December	9	25	28	0	
	Totals	585	626	0	0

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

Does the system have chlorination treatment?

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

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

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

¹ Gallons sold - Total gallons from customer meters.
² Gallons pumped - Total gallons from pumped sources.
³ Gallons purchased - Total gallons purchased from other sources.
⁴ Estimated gallons authorized use - Total estimated gallons from authorized meter or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/2016

Name of the System:

Main System

 ADEQ Public Water System Number:

02-008

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	2	0
February	0	4	0
March	0	1	0
April	0	4	0
May	0	3	0
June	0	1	0
July	0	4	0
August	0	2	0
September	0	4	0
October	0	6	0
November	0	0	0
December	0	8	0
Total	0	39	0

Other (description):

--

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/2016

Name of the System:

Well 3

 ADEQ Public Water System Number:

02-048

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.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):

--

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/2016

Name of the System:

Well 6

 ADEQ Public Water System Number:

02-049

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	2	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	2	0

Other (description):

--

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/2016

Name of the System:

Well 7

 ADEQ Public Water System Number:

02-050

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.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):

--

Clear Springs Utility Company, Inc.-Water
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/2016

Name of the System:

Well 9

 ADEQ Public Water System Number:

02-051

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.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):

--

Clear Springs Utility Company, Inc.-Water
Annual Report
Property Taxes
12/31/2016

Property Taxes

Amount of actual property taxes paid during Calendar year 2016 was

\$ 11,781

If no property taxes paid, explain why.

Clear Springs Utility Company, Inc.-Water
Annual Report
Verification and Statement (Taxes)
12/31/2016

Verification and Statement (Taxes)

RECEIVED
MAY 01 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Pima
Name (owner or official) title: Bonnie O'Connor, Manager
Company Name: Clear Springs Utility Company, Inc.-Water

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

FOR THE YEAR ENDING: 12/31/2016

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.

B. O'Connor

signature of owner/official

520.623.5172

telephone no.

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

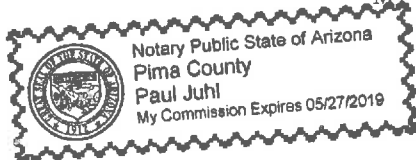
Pima
(county name)

THIS

25th DAY OF April 2017
(month) and (year)

MY COMMISSION EXPIRES

5/27/19
(date)



D. Juhl
(signature of notary public)

RECEIVED
MAY 01 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement

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

County of (county name): Pima
Name (owner or official) title: Bonnie O'Connor, Manager
Company Name: Clear Springs Utility Company, Inc.-Water

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

FOR THE YEAR ENDING: 12/31/2016

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 DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 218,300

(The amount in the box above includes

\$ 13,382 in sales tax
billed or collected)

Bonnie O'Connor
signature of owner/official

520.623.5172
telephone no.

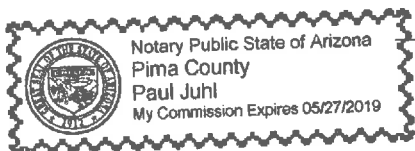
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Pima
(county name)

THIS 25th DAY OF April 2017
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)

Paul Juhl
(signature of notary public)



Clear Springs Utility Company, Inc.-Water
Annual Report
Verification and Statement (Residential Revenue)
12/31/2016

RECEIVED
MAY 01 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement (Residential Revenue)

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

County of (county name): Pima
Name (owner or official) title: Bonnie O'Connor, Manager
Company Name: Clear Springs Utility Company, Inc.-Water

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

FOR THE YEAR ENDING: 12/31/2016

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 (\$)

\$ 181,356

(The amount in the box above includes

\$ 11,118 in sales tax billed or collected)

Bonnie O'Connor
signature of owner/official

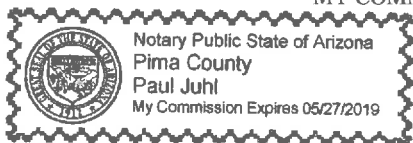
520.623.5172
telephone no.

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

Pima
(county name)

THIS 25th DAY OF April 2017
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)



Paul Juhl
(signature of notary public)