

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.:
For the Year Ended:

RECEIVED

MAY 04 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdefuente@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 E Utility

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

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

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

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

Clear Springs Utility Company, Inc.
 Annual Report
 Utility Plant in Service (Wastewater)
 12/31/17

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCID (OC less AD)
351	Organization	\$0	\$0	\$0	\$0	\$0	\$0
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	4,654	0	0	4,654	0	4,654
354	Structures and Improvements	9,504	0	0	9,504	9,504	0
355	Power Generation Equipment	0	0	0	0	0	0
360	Collections Wastewater - Force	278,544	0	0	278,544	269,990	8,554
361	Collections Wastewater - Gravity	0	0	0	0	0	0
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	9,880	0	0	9,880	5,558	4,322
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	73,268	50,376	0	123,644	63,717	59,927
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	487	0	0	487	360	127
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	3,173	0	0	3,173	2,980	193
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	\$379,510	\$50,376	\$0	\$429,886	\$352,109	\$77,777

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)
12/31/17

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	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	4,654	0	0	4,654	4,654	0.00%	0
354	Structures and Improvements	9,504	0	0	9,504	9,504	3.33%	0
355	Power Generation Equipment	0	0	0	0	0	5.00%	0
360	Collections Wastewater - Force	278,544	0	0	278,544	266,052	2.00%	250
361	Collections Wastewater - Gravity	0	0	0	0	0	2.00%	0
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	9,880	0	0	9,880	0	2.00%	198
364	Flow Measuring Devices	0	0	0	0	0	10.00%	0
365	Flow Measuring Installations	0	0	0	0	0	0.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	0	0	0	0	0	0.00%	0
371	Pumping Equipment	73,268	50,376	0	123,644	45,916	12.87%	6,762
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0.00%	0
380	Treatment and Disposal Equipment	487	0	0	487	0	5.00%	24
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	0	0	0	0	0	0.00%	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
390	Office Furniture and Equipment	0	0	0	0	0	6.67%	0
390.1	Computer & Software	0	0	0	0	0	0.00%	0
391	Transportation Equipment	0	0	0	0	0	0.00%	0
392	Stores Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	3,173	0	0	3,173	2,925	5.00%	12
394	Laboratory Equipment	0	0	0	0	0	0.00%	0
395	Power Operated Equipment	0	0	0	0	0	5.00%	0
396	Communication Equipment	0	0	0	0	0	10.00%	0
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$379,510	\$50,376	\$0	\$429,886	\$329,051		\$7,246

Contribution(s) in Aid of Construction (Gross)	\$132,017
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	82,012
Amortizable Contribution(s)	<u>\$50,005</u>
Times: Proposed Amortization Rate	2.41%
Amortization of CIAC	\$1,204
Less: Amortization of CIAC	\$1,204
DEPRECIATION EXPENSE	\$6,042

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
 Balance Sheet Assets
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		\$0	\$4,527
132	Special Deposits		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	11,678
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		0	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		16,619	16,619
	Total Current and Accrued Assets		\$16,619	\$32,824
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$379,510	\$429,886
103	Property Held for Future Use		495	495
105	Construction Work in Progress		574	574
108	Accumulated Depreciation (enter as negative)*		(344,863)	(352,109)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$35,716	\$78,846
	Total Assets		\$52,335	\$111,670

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 (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable		\$0	\$93,587
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	9,202
236	Accrued Taxes		0	852
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		0	0
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$0	\$103,641
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
252	Advances in Aid of Construction		\$0	\$0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		132,017	132,017
272	Less: Amortization of Contributions		(90,063)	(91,267)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$41,954	\$40,750
	Total Liabilities		\$41,954	\$144,391
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	797,825
215	Retained Earnings		10,381	(830,546)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$10,381	(\$32,721)
	Total Liabilities and Capital		\$52,335	\$111,670

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

Clear Springs Utility Company, Inc.
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	\$0	\$0
522	Measured Revenues	58,225	45,040
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	1,710	1,980
	Total Revenues	\$59,935	\$47,020
	Operating Expenses		
701	Salaries and Wages	\$0	\$0
704	Employee Pensions and Benefits	0	0
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	3,195	0
715	Purchased Power	1,863	0
716	Fuel for Power Production	0	0
718	Chemicals	0	0
720	Materials and Supplies	0	5,807
720.1	Repairs and Maintenance	22,498	0
720.2	Office Supplies and Expense	3,151	17
721	Office Expense	0	0
731	Contractual Services -Engineering	0	0
732	Contractual Services - Accounting	2,415	0
733	Contractual Services - Legal	190	0
734	Contractual Services - Management Fees	37,452	8,710
735	Contractual Services - Testing	2,759	908
736	Contractual Services - Other	1,530	0
740	Rents - Building	678	0
742	Rents - Equipment	0	0
750	Transportation Expenses	3,510	0
757	Insurance - General Liability	825	0
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	11,542	0
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	206	84
775	Miscellaneous Expense	127	0
403	Depreciation Expense (From Schedule AR4)	6,042	2,541
408	Taxes Other Than Income	0	0
408.11	Property Taxes	3,027	3,093
408.12	Payroll Taxes	0	0
409	Income Taxes	0	0
	Total Operating Expenses	\$101,010	\$21,160
	Operating Income / (Loss)	(\$41,075)	\$25,860
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	0	0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$41,075)	\$25,860

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.

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

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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<i>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.</i>

Wastewater Utility Plant Description (Continued)					
COLLECTION 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.)	One stand-by, 220 volt pump at 5 hp and 200 gpm, one stand-by, 110 volt pump at 5 hp and 160 gpm, and two air compressors at 1/2 hp and 3/4 hp.

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	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	355	903,902	51,146	\$178	919
February	356	871,516	49,440	195	899
March	356	915,356	48,248	164	892
April	354	825,456	58,098	161	865
May	354	967,949	81,638	170	923
June	358	692,106	91,370	147	609
July	361	823,904	56,930	112	471
August	349	843,629	62,136	139	677
September	358	729,590	62,004	240	1,230
October	357	793,259	25,589	133	636
November	360	767,670	25,589	113	284
December	361	790,403	40,632	112	253
	Totals	9,924,740	652,820	\$1,863	8,658

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	N/A
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

N/A

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.

Clear Springs Utility Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

Name of System:	Clear Springs Sewer Division
Wastewater Inventory Number (if applicable):	N/A

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.C	Other
January	0	4	0
February	0	5	0
March	0	2	0
April	0	1	0
May	0	3	0
June	0	2	0
July	0	4	0
August	0	0	0
September	0	1	0
October	0	6	0
November	0	4	0
December	0	7	0
Total	0	39	0

Other (description):

N/A

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

Clear Springs Utility Company, Inc.
Annual Report
Property Taxes
12/31/17

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2017 was	\$3,060

If no property taxes paid, explain why.

N/A

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

Clear Springs Utility Company, Inc.
Annual Report
Verification and Sworn Statement (Taxes)
12/31/17

RECEIVED
MAY 09 2018
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement (Taxes)

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.

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.

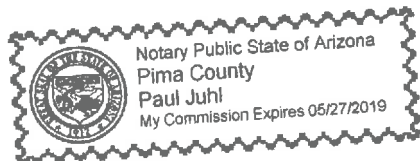
[Signature]
signature of owner/official

520.623.5172
telephone no.

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

THIS 4th DAY OF Pima
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)



[Signature]
(signature of notary public)

Clear Springs Utility Company, Inc.
Annual Report
Verification and Sworn Statement
12/31/17

RECEIVED

MAY 09 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn 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.

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 (\$)
\$63,620
(The amount in the box above includes
\$3,685 in sales taxes
billed or collected)

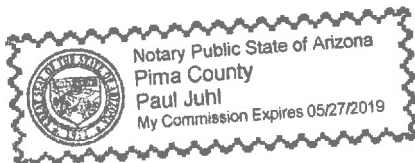
[Signature]
signature of owner/official

520.623.5172
telephone no.

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

THIS 4th DAY OF Pima
May, 2018
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)



[Signature]
(signature of notary public)

Clear Springs Utility Company, Inc.
Annual Report
Verification and Sworn Statement (Residential Revenue)
12/31/17

RECEIVED

MAY 09 2018

Verification and Sworn 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.

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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 (\$)

\$58,022

(The amount in the box above includes

\$3,364 in sales taxes
billed or collected)

[Signature]
signature of owner/official

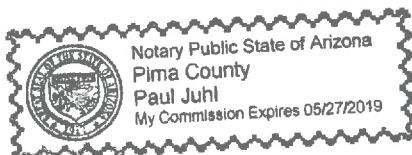
520.623.5172
telephone no.

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

Pima
(county name)

THIS 4th DAY OF May, 2018
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)



[Signature]
(signature of notary public)