

ANNUAL REPORT

Of

Company Name: DS Water Company
PO Box 786

Mailing Address: Desert Springs AZ
86432

Docket No.: W-04049A
For the Year Ended: 12/31/17

RECEIVED
APR 06 2018
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, Arizona 85007

Application Type: Original Filing
Application Date: 4/6/2018

4-9-18

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

1. For the Calendar Year Ended:

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:

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			\$1,057	\$0	\$1,057
302	Franchises	28,781			28,781		28,781
303	Land and Land Rights	30,000			30,000		30,000
304	Structures and Improvements	85,933			85,933	24,390	61,544
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	18,849			18,849	9,823	9,027
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	18,310			18,310	17,435	875
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes				0		0
330.1	Storage Tanks	37,572			37,572	16,215	21,357
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	143,464			143,464	35,670	107,794
333	Services	21,830			21,830	11,703	10,127
334	Meters and Meter Installations	12,147			12,147	10,350	1,796
335	Hydrants				0		0
336	Backflow Prevention Devices	845			845	423	423
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment	3,692			3,692	3,692	0
340.1	Computer & Software				0		0
341	Transportation Equipment	7,500			7,500	7,500	0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment	1,124			1,124	280	844
344	Laboratory Equipment				0		0
345	Power Operated Equipment	613			613	448	165
346	Communication Equipment	13,453			13,453	10,986	2,467
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	\$425,170	\$0	\$0	\$425,170	\$148,914	\$276,257

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.

DS Water Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/17

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	Depreciation Percentages	Depreciation Expense
301	Organization	\$1,057	\$0	\$0	\$1,057	\$1,057	0.00%	\$0
302	Franchises	28,781	0	0	28,781	28,781	0.00%	0
303	Land and Land Rights	30,000	0	0	30,000	30,000	0.00%	0
304	Structures and Improvements	85,933	0	0	85,933	0	3.33%	2,864
305	Collecting & Improving Reservoirs	0	0	0	0			0
306	Lake, River, Canal Intakes	0	0	0	0			0
307	Wells and Springs	18,849	0	0	18,849	0	3.33%	628
308	Infiltration Galleries	0	0	0	0			0
309	Supply Mains	0	0	0	0			0
310	Power Generation Equipment	0	0	0	0			0
311	Pumping Equipment	18,310	0	0	18,310	6,200	12.50%	1,514
320	Water Treatment Equipment	0	0	0	0			0
320.1	Water Treatment Plants	0	0	0	0			0
320.2	Solution Chemical Feeders	0	0	0	0			0
320.3	Point-of-Use Treatment Devices	0	0	0	0			0
330	Distribution Reservoirs and Standpipes	0	0	0	0			0
330.1	Storage Tanks	37,572	0	0	37,572	0	2.22%	834
330.2	Pressure Tanks	0	0	0	0			0
331	Transmission and Distribution Mains	143,464	0	0	143,464	0	2.00%	2,869
333	Services	21,830	0	0	21,830	0	3.33%	727
334	Meters and Meter Installations	12,147	0	0	12,147	7,850	8.33%	358
335	Hydrants	0	0	0	0			0
336	Backflow Prevention Devices	845	0	0	845	0	6.67%	56
339	Other Plant and Misc. Equipment	0	0	0	0			0
340	Office Furniture and Equipment	3,692	0	0	3,692	3,692	20.00%	(0)
340.1	Computer & Software	0	0	0	0			0
341	Transportation Equipment	7,500	0	0	7,500	7,500	20.00%	0
342	Stores Equipment	0	0	0	0			0
343	Tools, Shop and Garage Equipment	1,124	0	0	1,124	0	5.00%	56
344	Laboratory Equipment	0	0	0	0			0
345	Power Operated Equipment	613	0	0	613	0	5.00%	31
346	Communication Equipment	13,453	0	0	13,453	6,894	10.00%	656
347	Miscellaneous Equipment	0	0	0	0			0
348	Other Tangible Plant	0	0	0	0			0
	Subtotal	\$425,170	\$0	\$0	\$425,170	\$91,974		\$10,594

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

3.18%

\$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.

DS Water Company
 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		\$25,233	\$29,586
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		3,745	1,834
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies		1,795	1,795
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$30,773	\$33,214
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$425,170	\$425,170
103	Property Held for Future Use			
105	Construction Work in Progress		1,000	1,000
108	Accumulated Depreciation (enter as negative)*		(138,317)	(148,914)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$287,853	\$277,257
	Total Assets		\$318,627	\$310,471

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 AR3 UPIS Page 3

DS Water Company
 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			\$48,000
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		4,300	4,800
236	Accrued Taxes		1,539	1,490
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		1,029	1,135
	Total Current Liabilities		\$6,868	\$55,426
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$166,290	\$191,290
	Deferred Credits			
251	Unamortized Premium on Debt			
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 Liabilities		\$173,158	\$246,716
	Capital Accounts			
201	Common Stock Issued		\$3,000	\$3,000
211	Other Paid-In Capital		788,923	788,923
215	Retained Earnings		(646,455)	(728,168)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$145,469	\$63,755
	Total Liabilities and Capital		\$318,627	\$310,471

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!

Water 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		
461	Metered Water Revenue	\$56,174	\$56,004
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue		
	Total Revenues	\$56,174	\$56,004
	Operating Expenses		
601	Salaries and Wages	\$18,000	\$18,000
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	1,702	1,635
618	Chemicals		
620	Materials and Supplies		
620.1	Repairs and Maintenance	28,191	1,702
620.2	Office Supplies and Expense		
630	Contractual Services		
631	Contractual Services -Engineering		
632	Contractual Services - Accounting	4,662	4,887
633	Contractual Services - Legal	665	237
634	Contractual Services - Management Fees	55,765	7,950
635	Contractual Services - Water Testing	2,385	1,646
636	Contractual Services - Other	315	
640	Rents		
641	Rental of Building/Real Property	6,085	6,085
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability	3,993	4,449
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	4,353	5,464
403	Depreciation Expense (From Schedule AR4)	10,594	10,641
408	Taxes Other Than Income	1,419	1,421
408.11	Property Taxes	3,400	3,053
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$141,581	\$67,221
	Operating Income / (Loss)	(\$85,407)	(\$11,217)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$5	\$5
421	Non-Utility Income	3,689	3,685
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	Total Other Income / (Expense)	\$3,694	\$3,690
	Net Income / (Loss)	(\$81,713)	(\$7,528)

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.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	None	None	None	None
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:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Water Use Data Sheet							
Name of the System:		DS Water					
ADEQ Public Water System Number:		08-072					
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴	Purchased Power Expense ⁵	Purchased Power (kWh) ⁶
January	89	427,836	398,504	0			
February	89	378,024	330,900	0			
March	88	482,900	465,364	0			
April	88	527,950	499,564	0			
May	88	595,770	623,000	0			
June	89	1,102,344	1,050,116	0			
July	89	834,520	809,748	0			
August	88	833,240	815,928	0			
September	88	606,180	0	0			
October	88	671,480	675,345	0			
November	88	471,020	469,269	0			
December	90	430,980	0	0			
Totals		7,362,244	6,137,738	0	0	\$0	0

If the 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:

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.

- 1 Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.
- 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 metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

DS Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	08-072
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	None	None	None
February	None	None	None
March	None	None	None
April	None	None	None
May	None	None	None
June	None	None	None
July	None	None	None
August	None	None	None
September	None	None	None
October	None	None	None
November	None	None	None
December	None	None	None
Total	0	0	0

Other (description):

<p>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.</p>

DS Water Company
Annual Report
Property Taxes
12/31/17

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2017 was	\$3,400

If no property taxes paid, explain why.

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.

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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): Mohave
Name (owner or official) title: Patti Wynn, Manager
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: 12/31/17

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.

Patti Wynn

signature of owner/official

928-347-5467

telephone no.

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

Washington
(county name)

THIS

6th

DAY OF

April

(month) and (year)

MY COMMISSION EXPIRES

2-12-2019
(date)



Shelley L. Duce

(signature of notary public)

RECEIVED

APR 06 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): Mohave
Name (owner or official) title: Patti Wynn, Manager
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: 12/31/17

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 (\$)
\$59,213
(The amount in the box above includes
\$3,039 in sales taxes
billed or collected)

Patti Wynn
signature of owner/official

0
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Washington
(county name)

THIS 6th DAY OF April
(month) and (year)

MY COMMISSION EXPIRES 2-12-2019
(date)



Shelley L. Duce
(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): Patti Wynn, Manager
Name (owner or official) title: 0
Company name: DS Water Company

RECEIVED

APR 06 2018

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 (\$)

\$59,213

(The amount in the box above includes

\$3,039 in sales taxes
billed or collected)

Patti Wynn

signature of owner/official

0

telephone no.

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

Washington
(county name)

THIS

6th

DAY OF

April

(month) and (year)

MY COMMISSION EXPIRES

2-12-2019
(date)



Shelley L. Duce
(signature of notary public)