

ANNUAL REPORT

Of

Company Name:

6808 N Dysart Rd Ste 116

Mailing Address: Glendale AZ 85307

**RECEIVED
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4/10/2024, 2:12 PM

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

Docket No.:

For the Year Ended:

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdefafuente@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type:

Application Date:

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

For the Calendar Year Ended:

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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

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

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

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

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

Ownership:

Counties Served:

Important changes during the year

No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	N/A

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	N/A

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	\$2,180	\$0	0	\$2,180	0	\$2,180
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	95,665	0	0	95,665	0	95,665
304	Structures and Improvements	56,745	0	0	56,745	18,222	38,523
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	495,884	0	0	495,884	173,990	321,894
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	784,668	27,293	0	811,961	617,165	194,796
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	6,810	4,142	0	10,952	4,954	5,998
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	10,276	0	0	10,276	7,721	2,555
330.1	Storage Tanks	470,510	0	0	470,510	83,830	386,680
330.2	Pressure Tanks	52,810	0	0	52,810	36,301	16,509
331	Transmission and Distribution Mains	2,681,286	57,402	0	2,738,688	532,699	2,205,989
333	Services	166,700	27,425	0	194,125	16,155	177,970
334	Meters and Meter Installations	139,097	4,093	0	143,190	64,424	78,766
335	Hydrants	25,160	15,000	0	40,160	1,660	38,500
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	22,654	0	0	22,654	3,777	18,877
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,044	0	0	1,044	183	861
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	600	0	0	600	150	450
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$5,012,089	\$135,355	\$0	\$5,147,444	\$1,561,231	\$3,586,213

East Slope Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/23

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$2,180	\$0	\$0	\$2,180	\$2,180	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	95,665	0	0	95,665	95,665	0	0.00%	0
304	Structures and Improvements	56,745	0	0	56,745	0	56,745	3.33%	1,890
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	495,884	0	0	495,884	60,588	435,296	3.33%	14,495
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	784,668	27,293	0	811,961	343,960	468,001	12.50%	56,794
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	6,810	4,142	0	10,952	1,741	9,211	20.00%	1,428
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	10,276	0	0	10,276	0	10,276	2.22%	228
330.1	Storage Tanks	470,510	0	0	470,510	0	470,510	2.22%	10,445
330.2	Pressure Tanks	52,810	0	0	52,810	14,794	38,016	5.00%	1,901
331	Transmission and Distribution Mains	2,681,286	57,402	0	2,738,688	143,358	2,595,330	2.00%	51,333
333	Services	166,700	27,425	0	194,125	0	194,125	3.33%	6,008
334	Meters and Meter Installations	139,097	4,093	0	143,190	36,605	106,585	8.33%	10,024
335	Hydrants	25,160	15,000	0	40,160	0	40,160	2.00%	653
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	22,654	0	0	22,654	0	22,654	6.67%	1,511
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,044	0	0	1,044	0	1,044	5.00%	52
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	600	0	0	600	0	600	10.00%	60
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$5,012,089	\$135,355	\$0	\$5,147,444	\$698,891	\$4,448,553		\$156,822

Contribution(s) in Aid of Construction (Gross)	\$326,908
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	287,707
Amortizable Contribution(s)	\$39,201
Times: Proposed Amortization Rate	3.54%
Amortization of CIAC	\$1,122

Less: Amortization of CIAC \$1,122

DEPRECIATION EXPENSE **\$155,700**

East Slope Water Company
Annual Report
Balance Sheet Assets
12/31/23

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets			
131	Cash		\$5,523	\$24,309
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		16,427	12,503
146	Notes Receivable from Associated Companies		(13,543)	3,296
151	Plant Material and Supplies		0	0
162	Prepayments		17,447	9,656
174	Miscellaneous Current and Accrued Assets		623,284	331,832
	Total Current and Accrued Assets		\$649,138	\$381,596
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$5,012,089	\$5,147,444
103	Property Held for Future Use		0	0
105	Construction Work in Progress		17,890	18,550
108	Accumulated Depreciation (enter as negative)*		(1,404,410)	(1,561,231)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$3,625,569	\$3,604,763
	Total Assets		\$4,274,707	\$3,986,359

*Note these items feed automatically from AR3 UPIS Page 4

East Slope Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable		\$73,099	\$16,040
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		60,951	424,508
235	Customer Deposits		25,865	16,945
236	Accrued Taxes		16,585	17,400
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		1,326	553
	Total Current Liabilities		\$177,826	\$475,446
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$1,542,809	\$1,476,701
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		1,604,519	1,632,692
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		311,908	326,908
272	Less: Amortization of Contributions		(288,992)	(290,114)
281	Accumulated Deferred Income Tax		374,327	6,218
	Total Deferred Credits		\$2,001,762	\$1,675,704
	Total Liabilites		\$3,722,397	\$3,627,851
	Capital Accounts			
201	Common Stock Issued		\$100	\$100
211	Other Paid-In Capital		97,153	97,153
215	Retained Earnings		455,057	261,256
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$552,310	\$358,509
	Total Liabilities and Capital		\$4,274,707	\$3,986,360

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

East Slope Water Company
Annual Report
Water Comparative Income Statement
12/31/23

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
461	Metered Water Revenue	\$468,967	\$473,750
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	145,103	144,244
471	Miscellaneous Service Revenues	10,181	11,359
474	Other Water Revenue	0	0
	Total Revenues	\$624,251	\$629,353
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	102,186	88,878
618	Chemicals	6,860	104
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	10,627	17,546
620.2	Office Supplies and Expense	11,053	8,394
630	Contractual Services	0	0
631	Contractual Services - Engineering	260	0
632	Contractual Services - Accounting	850	1,465
633	Contractual Services - Legal	4,246	980
634	Contractual Services - Management Fees	458,029	220,179
635	Contractual Services - Water Testing	9,975	7,170
636	Contractual Services - Other	900	5,300
640	Rents	0	0
641	Rental of Building/Real Property	0	1,337
642	Rental of Equipment	0	0
650	Transportation Expenses	3,199	8,050
657	Insurance - General Liability	15,010	8,757
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	1,373
675	Miscellaneous Expense	3,302	3,401
403	Depreciation Expense (From Schedule AR4)	155,700	143,130
408	Taxes Other Than Income	0	0
408.11	Property Taxes	29,299	27,450
409	Income Taxes	(63,977)	5,880
427.1	Customer Security Deposit Interest	900	498
	Total Operating Expenses	\$748,419	\$549,892
	Operating Income / (Loss)	(\$124,168)	\$79,461
	Other Income / (Expense)		
419	Interest and Dividend Income	\$15,137	\$15,733
421	Non-Utility Income	1,142	3,573
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(85,912)	(88,371)
	Total Other Income / (Expense)	(\$69,633)	(\$69,065)
	Net Income / (Loss)	(\$193,801)	\$10,396

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0		0.0
Vice-president	0.0	0.0		0.0
Manager	0.0	0.0		0.0
Engineering Staff	0.0	0.0	difficult to	0.0
System Operator(s)	0.0	0.0	determine	0.0
Meter reader	0.0	0.0	without	0.0
Customer Service	0.0	0.0	significant	0.0
Accounting	0.0	0.0	analysis	0.0
Business Office	0.0	0.0		0.0
Rates Department	0.0	0.0		0.0
Administrative Staff	0.0	0.0		0.0
Other	0.0	0.0		0.0
Total	0.0	0.0	0.0	0.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	3/6/2017			
Source of Loan	CoBank			
ACC Decision No.	75923			
Reason for Loan	Refi/improvements			
Dollar Amt. Issued	\$1,840,246			
Amount Outstanding	\$1,476,701			
Date of Maturity	3/20/2038			
Interest Rate	5.44% & 5.87%			
Current Year Interest	\$85,912			
Current Year Principal	\$66,108			

Meter Deposit Balance at Test Year End:	\$10,922
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Meter Deposits Refunded During the Test Year:	\$1,279
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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 Utility Plant Description (Continued)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	1 chlorinator
STRUCTURES:	Chain link fence around all sites.
OTHER:	N/A

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC	299
Method used:	(a)

Water Utility Plant Description (Continued)
--

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

TREATMENT EQUIPMENT:	4 chlorinators
-----------------------------	----------------

STRUCTURES:	Chain link fence around all sites
--------------------	-----------------------------------

OTHER:	N/A
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Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC	204
Method used:	(a)

Customer and Other Information	
Name of the System:	EAST SLOPE WATER - WEST
ADEQ Public Water System Number:	AZ0402094
ADWR PCC Number:	91-000069.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	255	0	1	0	0
February	257	0	1	0	0
March	256	0	1	0	0
April	259	0	1	0	0
May	258	0	1	0	0
June	257	0	1	0	0
July	257	0	1	0	0
August	258	0	1	0	0
September	258	0	1	0	0
October	258	0	1	0	0
November	260	0	1	0	0
December	259	0	1	0	0

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

Does the system have chlorination treatment?

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

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

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

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

Customer and Other Information	
Name of the System:	EAST SLOPE WATER COMPANY
ADEQ Public Water System Number:	AZ0402028
ADWR PCC Number:	91-000046.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	721	0	51	0	0
February	720	0	51	0	0
March	713	0	52	0	0
April	717	0	51	0	0
May	719	0	53	0	0
June	720	0	52	0	0
July	720	0	52	0	0
August	717	0	52	0	0
September	726	0	52	0	0
October	730	0	53	0	0
November	730	0	53	0	0
December	729	0	52	0	0

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

Does the system have chlorination treatment?

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

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

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

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

East Slope Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	EAST SLOPE WATER - WEST
ADEQ Public Water System Number:	AZ0402094
ADWR PCC Number:	91-000069.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	4	0
February	0	3	0
March	0	2	0
April	0	4	0
May	0	3	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	2	0
Total	0	18	0

Other (description): 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.

East Slope Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	EAST SLOPE WATER COMPANY
ADEQ Public Water System Number:	AZ0402028
ADWR PCC Number:	91-000046.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	11	0
February	0	10	0
March	0	7	0
April	0	12	0
May	0	10	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	8	0
Total	0	60	0

Other (description): 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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2023 was	
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\$28,431

If no property taxes paid, explain why.

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.

Verification and Sworn Statement (Taxes)

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

County of (county name):	Maricopa
Name (owner or official) title:	Bryan Thomas, President
Company name:	East Slope Water Company

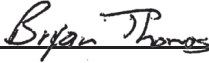
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/23

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 of owner/official

623-935-1100
telephone no.