

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-01906A
For the Year Ended:

**RECEIVED
BY EMAIL**

5/14/2020, 12:34 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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: 12/31/19

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
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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	5,994	12,751	0	18,745	0	18,745
304	Structures and Improvements	41,519	8,072	0	49,591	10,817	38,774
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	362,987	107,949	0	470,936	117,036	353,900
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	506,116	105,599	0	611,715	412,626	199,089
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	1,741	0	0	1,741	1,272	469
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	10,276	0	0	10,276	6,808	3,468
330.1	Storage Tanks	204,250	0	0	204,250	45,004	159,246
330.2	Pressure Tanks	48,811	2,865	0	51,676	27,169	24,507
331	Transmission and Distribution Mains	1,319,371	865,583	0	2,184,954	351,732	1,833,222
333	Services	20,476	7,167	0	27,643	3,308	24,335
334	Meters and Meter Installations	53,742	13,083	0	66,825	34,382	32,443
335	Hydrants	0	12,580	0	12,580	126	12,454
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
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	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$2,577,463	\$1,135,649	\$0	\$3,713,112	\$1,010,280	\$2,702,832

East Slope Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/19

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	5,994	12,751	0	18,745	18,745	0	0.00%	0
304	Structures and Improvements	41,519	8,072	0	49,591	0	49,591	3.33%	1,517
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	362,987	107,949	0	470,936	60,588	410,348	3.33%	11,867
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	506,116	105,599	0	611,715	261,189	350,526	12.50%	37,216
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	1,741	0	0	1,741	0	1,741	20.00%	(270)
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	204,250	0	0	204,250	0	204,250	2.22%	4,534
330.2	Pressure Tanks	48,811	2,865	0	51,676	0	51,676	5.00%	2,512
331	Transmission and Distribution Mains	1,319,371	865,583	0	2,184,954	143,358	2,041,596	2.00%	32,176
333	Services	20,476	7,167	0	27,643	0	27,643	3.33%	801
334	Meters and Meter Installations	53,742	13,083	0	66,825	14,939	51,886	8.33%	4,237
335	Hydrants	0	12,580	0	12,580	0	12,580	2.00%	126
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0	0.00%	0
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	\$2,577,463	\$1,135,649	\$0	\$3,713,112	\$500,999	\$3,212,113		\$94,945

Contribution(s) in Aid of Construction (Gross)	\$287,707
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	287,707
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	3.54%
Amortization of CIAC	\$5,247

Less: Amortization of CIAC \$5,247

DEPRECIATION EXPENSE **\$89,698**

East Slope Water Company
Annual Report
Balance Sheet Assets
12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$310,409	\$614,576
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		(7,718)	9,888
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		61,191	6,869
	Total Current and Accrued Assets		\$363,882	\$631,333
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$2,577,463	\$3,713,112
103	Property Held for Future Use		914,421	508,855
105	Construction Work in Progress		385,657	282,636
108	Accumulated Depreciation (enter as negative)*		(915,335)	(1,010,280)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$2,962,206	\$3,494,323
	Total Assets		\$3,326,088	\$4,125,656

*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 (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$122,389	\$270,625
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		22,821	24,330
236	Accrued Taxes		4,046	27,578
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	1,102
	Total Current Liabilities		\$149,256	\$323,635
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$1,126,087	\$1,734,186
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		1,595,492	1,596,813
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		287,707	287,707
272	Less: Amortization of Contributions		(282,460)	(287,707)
281	Accumulated Deferred Income Tax		92,949	0
	Total Deferred Credits		\$1,693,688	\$1,596,813
	Total Liabilites		\$2,969,031	\$3,654,634
	Capital Accounts			
201	Common Stock Issued		\$46,300	\$100
211	Other Paid-In Capital		50,953	97,153
215	Retained Earnings		259,804	373,769
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$357,057	\$471,022
	Total Liabilities and Capital		\$3,326,088	\$4,125,656

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
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$443,048	\$361,689
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	94,353	138,349
471	Miscellaneous Service Revenues	8,238	8,890
474	Other Water Revenue	0	0
	Total Revenues	\$545,639	\$508,928
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	66,726	65,723
618	Chemicals	1,530	1,240
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	11,000	13,829
620.2	Office Supplies and Expense	5,360	6,825
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	10,129	8,667
633	Contractual Services - Legal	245	1,338
634	Contractual Services - Management Fees	210,674	209,214
635	Contractual Services - Water Testing	4,895	5,202
636	Contractual Services - Other	0	390
640	Rents	0	1,560
641	Rental of Building/Real Property	1,051	0
642	Rental of Equipment	0	0
650	Transportation Expenses	11,253	7,917
657	Insurance - General Liability	2,055	4,242
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	4,579
670	Bad Debt Expense	(397)	883
675	Miscellaneous Expense	5,356	2,581
403	Depreciation Expense (From Schedule AR4)	89,698	69,361
408	Taxes Other Than Income	0	0
408.11	Property Taxes	24,639	19,518
409	Income Taxes	7,226	15,635
427.1	Customer Security Deposit Interest	453	543
	Total Operating Expenses	\$451,893	\$439,247
	Operating Income / (Loss)	\$93,746	\$69,681
	Other Income / (Expense)		
419	Interest and Dividend Income	\$10,224	\$5,348
421	Non-Utility Income	1,884	0
426	Miscellaneous Non-Utility (Expense)	0	(86,820)
427	Interest (Expense)	(82,297)	(47,466)
	Total Other Income / (Expense)	(\$70,189)	(\$128,938)
	Net Income / (Loss)	\$23,557	(\$59,257)

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	\$1,734,186			
Date of Maturity	3/20/2038			
Interest Rate	5.44% & 5.87%			
Current Year Interest	\$82,297			
Current Year Principal	\$62,084			

Meter Deposit Balance at Test Year End:	\$14,933
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Meter Deposits Refunded During the Test Year:	\$1,257
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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.

Well and Water Usage

Name of the System: EAST SLOPE WATER - WEST											
ADEQ Public Water System Number:		AZ0402094									
ADWR PCC Number:		91-000069.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2019	Meter Size (inches)	How measured:	Active
55-805791 Well 4IN	1.5	20	120	8	Submersible	1966	28	29	1	Metered	Yes
55-805792 Well 3IN	1.5	20	120	8	Submersible	1967	37	38	2	Metered	No
55-805790 Well 2IN	0.5	12	55	8	Submersible	1970	11	11	1	Metered	Yes
55-632904 Well 3AR	30	90	400	10	Submersible	1979	110	111	3	Metered	Yes
55-208555 Well 5AR	20	65	330	8	Submersible	2005	120	120	3	Metered	Yes

Name of system water delivered to: _____

ADWR PCC Number: _____

Source of water delivered to another system _____

Name of system water received from: _____

ADWR PCC Number: _____

Source of water received _____

Well registry 55# (55-XXXXXX): _____

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	1,991,630.00	1,069,870.00	0.00	0.00	0.00	\$1,907	9,570
February	1,324,520.00	1,725,001.00	0.00	0.00	0.00	1,632	7,238
March	1,373,040.00	1,233,739.00	0.00	0.00	0.00	1,655	7,646
April	1,269,770.00	1,233,730.00	0.00	0.00	0.00	1,543	7,701
May	2,331,460.00	2,278,320.00	0.00	0.00	0.00	2,273	10,587
June	2,451,540.00	2,263,840.00	0.00	0.00	0.00	2,122	13,528
July	3,600,320.00	3,205,789.00	0.00	0.00	0.00	2,388	13,175
August	2,916,800.00	2,728,251.00	0.00	0.00	0.00	2,028	10,048
September	2,171,290.00	2,029,760.00	0.00	0.00	0.00	2,208	11,726
October	2,557,330.00	2,343,490.00	0.00	0.00	0.00	1,941	9,632
November	1,295,540.00	2,062,453.00	0.00	0.00	25,000.00	1,835	8,943
December	3,191,500.00	1,934,807.00	0.00	0.00	8,000.00	1,724	7,807
Totals	26,474,740.00	24,109,050.00	0.00	0.00	33,000.00	\$23,256	117,601

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 25,000 gallons = fire department use; 8,000 gallons = flushing.

¹ Water withdrawn - Total gallons of water withdrawn from pumped sources.
² Water sold - Total gallons from customer meters, and other sales such as construction water.
³ Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
⁴ Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
⁵ Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
⁶ Enter the total purchased power costs for the power meters associated with this system.
⁷ Enter the total purchased kWh used by the power meters associated with this system.

Well and Water Usage

Name of the System: EAST SLOPE WATER COMPANY											
ADEQ Public Water System Number:		AZ0402028									
ADWR PCC Number:		91-000046.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2019	Meter Size (inches)	How measured:	Active
55-805786 Well 1	20	100	549	8	Submersible	1964	391	392	3	Metered	Yes
55-805787 Well 2	5	10	560	8	Submersible	1963	360	361	3	Metered	Yes
55-805788 Well 3	7.5	40	620	12	Submersible	1971	408	409	2	Metered	Yes
55-805789 Well 4	60	200	802	10	Submersible	1977	408	409	4	Metered	Yes
55-551665 Well 8	1	9	210	6	Submersible	1995	55	56	1	Metered	Yes
55-575955 Well 1R	5	45	402	8	Submersible	1999	91	92	2	Metered	Yes
55-575958 Well 2R	30	160	401	8	Submersible	2000	102	103	2	Metered	Yes
55-596646 Well 3R	3	12	510	8	Submersible	2003	61	62	2	Metered	Yes
55-211155 Well 4R	3	8	1,000	8	Submersible	2006	105	106	2	Metered	No

Name of system water delivered to: _____
 ADWR PCC Number: _____
 Source of water delivered to another system: _____

Name of system water received from: _____
 ADWR PCC Number: _____
 Source of water received: _____
 Well registry 55# (55-XXXXXX): _____

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	6,367,410.00	2,818,439.00	0.00	0.00	300,000.00	\$2,875	18,132
February	4,318,580.00	4,653,132.00	0.00	0.00	0.00	2,613	16,364
March	4,111,700.00	3,467,749.00	0.00	0.00	0.00	2,481	15,453
April	4,023,850.00	3,717,044.00	0.00	0.00	0.00	3,910	24,435
May	6,960,460.00	6,280,587.00	0.00	0.00	0.00	4,135	27,490
June	5,429,440.00	5,023,117.00	0.00	0.00	0.00	4,107	26,499
July	9,450,970.00	8,713,972.00	0.00	0.00	0.00	4,597	29,428
August	6,629,100.00	5,156,618.00	0.00	0.00	0.00	4,278	25,983
September	5,752,990.00	4,953,719.00	0.00	0.00	0.00	4,196	25,345
October	7,173,120.00	5,729,504.00	0.00	0.00	0.00	3,995	25,259
November	5,103,060.00	4,409,608.00	0.00	0.00	0.00	3,447	22,855
December	5,448,510.00	3,965,935.00	0.00	0.00	0.00	2,836	18,244
Totals	70,769,190.00	58,889,424.00	0.00	0.00	300,000.00	\$43,470	275,487

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 300,000 gallons – flushing related to construction.

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 Water withdrawn - Total gallons of water withdrawn from pumped sources.
² Water sold - Total gallons from customer meters, and other sales such as construction water.
³ Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
⁴ Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
 #VALUE!
⁶ Enter the total purchased power costs for the power meters associated with this system.
⁷ Enter the total purchased kWh used by the power meters associated with this system.

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

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	2,000
3.00	AC/PVC	10,000
4.00	AC/PVC	16,426
6.00	PVC	15,960
8.00	PVC	100

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	251	62%	52%
0.75	1	0%	0%
1	3	100%	0%

SERVICE LINES		
Material	Percent of system	Year installed
Copper	25%	1970s
PVC	25%	1970s
Black poly	50%	1970s

BOOSTER PUMPS		
Horsepower	GPM	Quantity
2	40	1
5	100	2

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
24,000	Steel	1	1975-80
10,150	Steel	1	2005

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
20	Steel/rubber	1	2019
85	Steel/rubber	2	2005
85	Steel/rubber	3	2019
1,000	Steel	2	2006 & 2015
4,000	Steel	1	1975-80

* 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)
--

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	257
Method used:	(a)

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

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	28,000
3.00	AC/PVC	16,000
4.00	AC/PVC	97,000
4.00	PVC	811
4.00	RSP/PVC	11,892
6.00	AC/PVC	10,000
6.00	PVC	7,765
6.00	RSP/PVC	237
6.00	DIP/ACP	327
8.00	PVC	150
8.00	RSP/PVC	19,825

SERVICE LINES			
Material	Percent of system	Year installed	
Copper	5%	1970s	
Galvanized steel	50%	1970s	
Black poly	25%	1970s	
PVC	20%	1970s	

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
15	300	3	
20	400	3	

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
51,000	Steel	1	1975-80
225,600	Bolted Steel	1	2006
235,000	Bolted Steel	1	2006

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	806	67%	65%
1	13	70%	8%
1.5	10	100%	90%
Compound 2	4	100%	75%

FIRE HYDRANTS	
Type	Quantity
Standard *	23
Other	1

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
85	Steel/rubber	1	2005
4,600	Steel	3	1999
4,600	Steel	1	2006
4,230	Steel	1	2006

* 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)

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
---------------	-----

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	203
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	242	0	1	0	0
February	244	0	1	0	0
March	244	0	1	0	0
April	244	0	1	0	0
May	244	0	1	0	0
June	243	0	1	0	0
July	248	0	1	0	0
August	245	0	1	0	0
September	243	0	1	0	0
October	244	0	1	0	0
November	244	0	1	0	0
December	244	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				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	698	0	52	0	0
February	703	0	52	0	0
March	702	0	52	0	0
April	703	0	52	0	0
May	702	0	52	0	0
June	705	0	52	0	0
July	706	0	52	0	0
August	701	0	52	0	0
September	701	0	52	0	0
October	700	0	52	0	0
November	699	0	52	0	0
December	701	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
 12/31/19

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	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	1	0
June	0	1	0
July	0	1	0
August	0	2	0
September	0	3	0
October	0	3	0
November	0	3	0
December	0	1	0
Total	0	15	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
 12/31/19

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	5	0
February	0	3	0
March	0	5	0
April	0	1	0
May	0	4	0
June	0	13	0
July	0	4	0
August	0	7	0
September	0	2	0
October	0	2	0
November	0	7	0
December	0	6	0
Total	0	59	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	
-----------------------	--

Amount of actual property taxes paid during Calendar Year 2019 was	\$22,083
--	----------

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, CFO
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: 12/31/19

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.

**RECEIVED
BY EMAIL**
4/30/2020, 03:04 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Bryan Thomas
signature of owner/official

623-935-1100
telephone no.

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

THIS 30th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES 8/15/23
(date)



Veronica G Gonzalez
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
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: 12/31/19

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 (\$)

\$579,411

(The amount in the box above includes

\$33,772 in sales taxes
billed or collected)

**RECEIVED
BY EMAIL**

4/30/2020, 03:04 PM

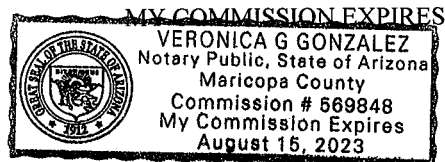
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Bryan Thomas
signature of owner/official

623-935-1100
telephone no.

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

THIS 30th DAY OF April 2020
(month) and (year)



8/15/23
(date)

Veronica G Gonzalez
(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): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
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: 12/31/19

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 (\$)

\$536,088

(The amount in the box above includes

\$31,247 in sales taxes
billed or collected)

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BY EMAIL**

4/30/2020, 03:04 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Bryan Thomas
signature of owner/official

623-935-1100
telephone no.

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

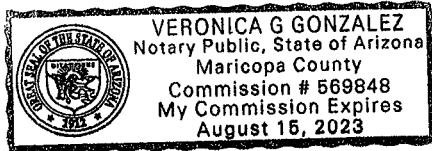
Maricopa
(county name)

THIS 30th

DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES

8/15/23
(date)



Veronica G Gonzalez
(signature of notary public)

Gross-up Sharing Method for Income Tax Statement of Certification

Verification:

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

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

FOR THE YEAR ENDING: 12/31/19

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

**RECEIVED
BY EMAIL**

4/30/2020, 03:04 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Bryan Thomas
signature of owner/official
623-935-1100
telephone no.

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

Maricopa
(county name)

THIS 30th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES 8/15/23
(date)



Veronica G. Gonzalez
(signature of notary public)