

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

SW-20445A
Global Water – Palo Verde Utilities Company, Inc.
c/o Global Water
21410 N. 19th Ave. Ste 201
Phoenix, AZ 85027

RECEIVED
APR 16 2013
ACC UTILITIES DIRECTOR

ANNUAL REPORT
Sewer

FOR YEAR ENDING

12	31	2012
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FOR COMMISSION USE

ANN05	12
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4-17-13

COMPANY INFORMATION

Company Name (Business Name) Global Water – Palo Verde Utilities Company, Inc.

Mailing Address 21410 N 19th Ave. Ste. 201

(Street)

Phoenix

AZ

85027

(City)

(State)

(Zip)

623-580-9600

623-580-9659

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address ron.fleming@gwresources.com

Local Office Mailing Address Same as above

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Regulatory Contact: Ron Fleming

Management Contact: Ron Fleming President, Regulated Utilities Division

(Name)

(Title)

21410 N. 19th Ave. Ste. 201

Phoenix

AZ

85027

(Street)

(City)

(State)

(Zip)

623-580-9600

623-580-9659

602-550-2717

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address ron.fleming@gwresources.com

On Site Manager: Jon Corwin, Regional Manager

(Name)

22590 North Powers Parkway

Maricopa

AZ

85238

(Street)

(City)

(State)

(Zip)

623-580-9600

623-580-9659

602-550-2717

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address jon.corwin@gwresources.com

Statutory Agent: <u>Cindy M. Liles</u>			
(Name)			
<u>21410 N. 19th Avenue, Suite 201</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>
(Street)	(City)	(State)	(Zip)
<u>602-274-7611</u>	<u>602-234-0341</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>Timothy J. Sabo, Roshka DeWulf & Patten, PLC</u>			
(Name)			
<u>400 East Van Buren, Ste. 800</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85004</u>
(Street)	(City)	(State)	(Zip)
<u>602-256-6100</u>	<u>602-256-6800</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>tsabo@rdp-law.com</u>			

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
303	Land and Land Rights	1048	0	1048
311	Pumping Equipment	1101	69	1032
331	Transmission and Distribution Mains	3142	79	3063
340	Office Furniture and Equipment	10,175	2778	7397
341	Transportation Equipment	2078	623	1455
346	Communication Equipment	3212	161	3051
351	Organization	0	0	0
352	Franchises	0	0	0
353	Land and Land Rights	186,342	0	186,342
354	Structures and Improvements	23,030,770	4,893,398	18,137,372
355	Power Generation Equipment	366,042	122,153	24,3890
360	Collection Sewers – Force	3,873,560	758,540	3,115,020
361	Collection Sewers – Gravity	47,920,648	5,985,916	41,934,732
362	Special Collecting Structures	0	0	0
363	Services to Customers	5,244,342	618,316	4,626,026
364	Flow Measuring Devices	23,636	16,977	6659
365	Flow Measuring Installations	0	0	0
370	Receiving Wells	1,921,877	368,971	1,552,906
371	Pumping Equipment	4,131,282	3,171,167	960,115
374	Reuse Distribution Reservoirs	58,755	2965	55,790
375	Reuse Transmission and Distribution Equipment	11,058,825	1,741,517	9,317,308
380	Treatment and Disposal Equip.	6,014,149	2,198,919	3,815,230
381	Plant Sewers	78,384	38,219	4,0166
382	Outfall Sewer Lines	353,645	123,900	229,745
389	Other Plant and Misc. Equipment	2,445,192	869,904	1,575,287

390	Office Furniture and Equipment	72894	66051	6843
391	Transportation Equipment	230783	174042	56741
393	Tools, Shop and Garage Equip.	205219	40912	164307
394	Laboratory Equipment	21046	11114	9933
395	Power Operated Equipment	41149	5104	36045
396	Communication Equipment	69160	25163	43997
397	Miscellaneous Equipment	431083	167423	263660
398	Other Tangible Plant	1666912	848152	818760
	TOTALS	\$109,466,451	\$22,252,531	\$87,213,919

This amount goes on the Balance Sheet Acct. No. 108 

CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
303	Land and Land Rights	1048	0%	0
311	Pumping Equipment	1101	5%	69
331	Transmission and Distribution Mains	3142	2%	79
340	Office Furniture and Equipment	10175	6.67%	2197
341	Transportation Equipment	2078	20%	416
346	Communication Equipment	3212	10%	161
351	Organization	0	0%	0
352	Franchises	0	0%	0
353	Land and Land Rights	186342	0%	0
354	Structures and Improvements	23030770	3.33%	755304
355	Power Generation Equipment	366042	5%	18274
360	Collection Sewers – Force	3873560	2%	74900
361	Collection Sewers – Gravity	47920648	2%	951144
362	Special Collecting Structures	0	2%	0
363	Services to Customers	5,244,342	2%	104,465
364	Flow Measuring Devices	23,636	10%	2283
365	Flow Measuring Installations	0	10%	0
370	Receiving Wells	1,921,877	3.33%	63,890
371	Pumping Equipment	4,131,282	12.50%	481,722
374	Reuse Distribution Reservoirs	58,755	2.50%	1160
375	Reuse Transmission and Distribution System	11,058,825	2.5%	273,546
380	Treatment and Disposal Equip.	6,014,149	5%	294,594
381	Plant Sewers	78,384	5%	3,988
382	Outfall Sewer Lines	353,645	3.33%	11,535
389	Other Plant and Misc. Equipment	2,445,192	6.67%	173,887

390	Office Furniture and Equipment	72,894	6.67%	5,006
391	Transportation Equipment	230,783	20%	7,918
393	Tools, Shop and Garage Equip.	205,219	5%	10,474
394	Laboratory Equipment	21,046	10%	2,199
395	Power Operated Equipment	41,149	5%	2,057
396	Communication Equipment	69,160	10%	7,163
397	Miscellaneous Equipment	431,083	10%	41,770
398	Other Tangible Plant	1,666,912	0%	172,198
	TOTALS	109,466,451	-	3,462,398

This amount goes on the Comparative Statement of Income and Expense Acct. 403



BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash and cash equivalents	\$103,950	\$103,515
132	Special Deposits	0	139,539
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	737,444	762,452
143	Accumulated Provision for Uncollectible Accounts	(84,300)	(106,771)
151	Plant Material and Supplies	13,946	32,530
162	Prepayments	2,077	44,361
174	Miscellaneous Current and Accrued Assets	526,928	\$721,242
	TOTAL CURRENT AND ACCRUED ASSETS	\$1,300,045	\$1,696,868
	FIXED ASSETS		
101	Utility Plant in Service	\$108,969,254	\$109,466,451
103	Property Held for Future Use	0	0
105	Construction Work in Progress	16,481,647	17,083,853
108	Accumulated Depreciation – Utility Plant	(19,012,634)	(22,252,373)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$106,438,267	\$104,297,931
	OTHER ASSETS		
114	Utility Plant Acquisition Adjustments	\$ 0	\$0
181	Unamortized Debt Discount & Expense	0	0
190	Accumulated Deferred Income Taxes	7,856,519	0
	TOTAL OTHER ASSETS	\$ 7,856,519	\$0
	TOTAL ASSETS	\$115,594,831	\$105,994,799

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts payable	\$743,355	\$759,250
232	Notes Payable (Current Portion)	0	
235	Customer Deposits	669,926	669,926
236	Accrued Taxes	256,817	295,057
237	Accrued Interest	0	
241	Miscellaneous Current and Accrued Liabilities	352,048	238,513
253	Other Deferred Credits	114,424	98,117
	TOTAL CURRENT LIABILITIES	\$2,136,570	\$2,060,863
	LONG-TERM DEBT (Over 12 Months)		
224	Other Long-Term Debt	\$ 0	
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	
252	Advances in Aid of Construction	27,839,315	27,696,449
255	Accumulated Deferred Investment Tax Credits	0	
271	Contributions in Aid of Construction	29,337,624	30,534,905
272	Less: Amortization of Contributions	(1,721,560)	(2,135,469)
281	Accumulated Deferred Income Taxes	110,288	0
	TOTAL DEFERRED CREDITS	\$ 55,565,666	\$56,095,885
	TOTAL LIABILITIES	\$ 57,702,035	\$58,156,748
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 10	\$10
211	Paid in Capital in Excess of Par Value	53,069,744	46,524,355
215	Retained Earnings	4,823,042	1,268,687
218	Proprietary Capital (Sole Props and Partnerships)	0	
	TOTAL CAPITAL	\$ 57,892,796	\$47,793,051
	TOTAL LIABILITIES AND CAPITAL	\$115,594,831	\$105,949,799

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$10,763,095	\$12,655,866
522	Measured Revenues	303,836	307,342
536	Other Wastewater Revenues	345,001	280,876
	TOTAL REVENUES	\$11,411,932	\$13,244,084
	OPERATING EXPENSES		
701	Salaries and Wages	\$1,292,391	\$1,553,869
704	Employee Pensions and Benefits	2,341	11,503
710	Purchased Wastewater Treatment	-	
711	Sludge Removal Expense	139,594	250,501
715	Purchased Power	523,952	618,050
716	Fuel for Power Production	-	91
718	Chemicals	403,612	439,483
720	Materials and Supplies	115,246	176,291
721	Office Expense	124,952	91,238
731	Contractual Services –Eng.	-	-
732	Contractual Services – Acctg.	145,492	207,815
733	Contractual Services - Legal	63,011	83,493
734	Contractual Services – Mgt Fees	657,734	677,467
735	Contractual Services – Testing	40,577	56,375
736	Contractual Services – Other	87,547	24,342
741	Rental of Building/Real Property	106,308	107,438
742	Rental of Equipment	13,682	21,390
750	Transportation Expense	76,568	110,132
757	Insurance General Liability	73,690	74,880
758	Insurance Workers Comp	16,800	14,280
759	Insurance Other	118,744	150,288
760	Advertising Expense	10,454	2,700
766	Regulatory Comm Exp (Amort of Rate Case)	53,333	53,333
767	Regulatory Comm Exp - Other	-	2,029
770	Bad Debt Expense	72,207	96,642
775	Miscellaneous Expense	446,528	478,717
403	Depreciation Expense	3,479,794	3,462,242
403	Depreciation Expense – CIAC Amortization	(368,101)	(413,909)
408	Taxes Other Than Income	90,573	108,832
408.11	Property Taxes	520,532	593,282
409	Income Taxes	1,190,746	8,157,739
	TOTAL OPERATING EXPENSES	\$ 9,498,307	\$17,210,533
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$38	\$586

421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	(20,215)	0
427	Interest Expense	0	0
	TOTAL OTHER INCOME/EXPENSE	(\$20,177)	\$586
	NET INCOME/(LOSS)	\$1,893,448	(\$3,965,863)

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

COMPANY NAME: Global Water - Palo Verde Utilities Company

Name of System: Palo Verde

Wastewater Inventory Number (if applicable):

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, etc.)	1 x 3.0 MGD SBR Tertiary Treatment Facility 1 x 0.3 MGD Faculative Lagoon (not in use) 1 x 1.0 MGD SBR Tertiary Treatment Facility (non-operational)
DESIGN CAPACITY OF PLANT (Gallons Per Day)	Permitted Capacity = 9.0 MGD (per APP 105228)

LIFT STATION FACILITIES

PUMPS

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
McDavid LS	2	70	650	15,000
Cobblestone LS	2	18	1200	8,900
Tortosa LS	2	5	300	10,300
Maricopa Groves LS	2	40	750	24,600
Alterra LS	2	15	690	13,200
Rancho El Dorado LS	1	15	1100	23,095
Rancho El Dorado LS	2	20	1000	
Palo Verde WRF Influent LS	1	100	5000	328,000
Palo Verde WRF Influent LS	1	30	1800	

COMPANY NAME: Global Water - Palo Verde Utilities Company

Name of System: Palo Verde

Wastewater Inventory Number (if applicable):

FORCE MAINS

Size (Inches)	Material	Length (Feet)
4	DIP	42
6	DIP	38
8	DIP	179
10	DIP	65
12	DIP	741
16	DIP	16
18	DIP	17
24	DIP	942
30	DIP	50
6	PVC	1,961
8	PVC	31,637
10	PVC	6,329
12	PVC	1,520
14	PVC	7,991
24	PVC	5,584

ABS = Acrylonitrile-Butadiene-Styrene
DIP =

HDPE = High Density Polyethylene
PVC =

UNK = Unknown
VCP = Vitrified Clay Pipe

-99 = Unknown

RECYCLED MAINS

Size (Inches)	Material	Length (Feet)
24	CON301	3,888
6	DIP	112
12	DIP	131
16	DIP	784
24	DIP	1,536
10	DIP350	36
24	DIP350	212
6	PVC	616
8	PVC	10,255
10	PVC	7,521
12	PVC	20,805
16	PVC	5,372
18	PVC	16,122
24	PVC	23,857
12	PVCCL1	26
6	PVCCL2	1,222
8	PVCCL2	120
12	PVCCL2	12,896
16	PVCCL2	500
18	PVCCL2	21,517
24	PVCCL2	21,316

CON301 = AWWA C301 PVC = Polyvinyl Chloride -99 = Unknown
 DIP = Ductile Iron Pipe UNK = Unknown

MANHOLES

Type	Quantity
CONV	3,435
INA	9
LOCK	449
SEA	6
WT	28

CONV = Conventional SEA = Sealed
 INA = Inaccessible WT = Water Tight

CLEANOUTS

Quantity
239

COLLECTION MAINS

SERVICES

Size (in Inches)	Material	Length (in Feet)
6		98
24		15
48		19
8	ABS	27
6	DIP	160
8	DIP	2,963
10	DIP	264
12	DIP	1,148
18	DIP	155
24	DIP	641
30	DIP	1,764
12	HDPE	174
15	HDPE	225
18	HDPE	2,468
24	HDPE	16,308
27	HDPE	1,678
30	HDPE	17,115
36	HDPE	2,378
42	HDPE	10,553
48	HDPE	5,825
4	PVC	432
6	PVC	1,920
8	PVC	753,787
10	PVC	47,853
12	PVC	66,194
15	PVC	17,413
18	PVC	8,950
21	PVC	547
24	PVC	45,565
30	PVC	9,244
36	PVC	28,738
42	PVC	228
48	PVC	4,515

Size (in Inches)	Material	Quantity
-99	UNK	3
4	UNK	21,675
6	UNK	11

ABS = Acrylonitrile-Butadiene-Styrene
 DIP =

HDPE = High Density Polyethylene
 PVC =

UNK = Unknown
 VCP = Vitrified Clay Pipe

-99 = Unknown

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

Name of System: Palo Verde

Wastewater Inventory Number (if applicable):

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY PER WASTEWATER SYSTEM

SOLIDS PROCESSING AND HANDLING FACILITIES	2 x 1.5m Filter Belt Press 2 x Conveyor System for Biosolids 4 x 1/4 inch Influent Trash Removal Auger 2 x Grit Classifier 2 x Conveyor for Grit/Trash
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	2 x Low Pressure High Intensity UV
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	2 x 4.0 MGD Cloth Media Disc Filters
STRUCTURES (Buildings, Fences, Etc.)	2 x Office/Lab/Storage = 1500 sq ft 2 x SBR Blower Building = 1400 sq ft 2 x Headworks Building = 2800 sq ft 2 x Blower/Solids Handling = 2400 sq ft 2 x Masonry Walls (Filtration & Odor Control) = 600 sq ft Masonry Brick Walls at Cobblestone Lift Station, Alterra Lift Station, Groves Lift Station, RED Lift Station and Tortosa Lift Station Chain Link Fence: Lagoon = 2450 ft, 2 x SBR = 800 ft McDavid Lift Station Chain Link Fence
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Odor Scrubbers: Lift Station & SBR Systems 2 x Polymer Injection System 2 x 1500 kW D/G 2 x 350kVAD/G 2 x 80kVAD/G 2 x 60kWD/G 2 x HACH Portable Water Test Kit (DR2000) 1 x Trailer Mounted Diesel Pump 8 x 1/2 Ton Pick-up Truck 2 x Vac Truck 1 x 4000 Gallon Water Truck

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

Name of System: Palo Verde

Wastewater Inventory Number (if applicable):

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	15,883	68,582,000	2,473,000
February	15,920	64,974,000	2,496,000
March	15,995	69,549,000	2,446,000
April	16,013	65,395,000	2,373,000
May	16,089	63,813,000	2,333,000
June	16,148	58,114,000	2,107,000
July	16,125	62,466,000	2,549,000
August	16,203	67,053,000	2,330,000
September	16,268	61,663,000	2,332,000
October	16,287	62,331,000	2,353,000
November	16,316	65,422,000	2,489,000
December	16,327	69,115,000	2,484,000

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE
PER WASTEWATER SYSTEM**

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse Discharge
Groundwater Permit Number	
ADEQ Aquifer Protection Permit Number	APP105228 APP 105668- Campus 2 APP105922- Issued 8 Nov 2011
ADEQ Reuse Permit Number	R105392, R105393, R105394 R105228, R106068, R106194, R106345
EPA NPDES Permit Number	AZ0025071

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.	
Name of System:	Wastewater Inventory Number (if applicable):

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2- 609.B	Termination with Notice R14-2- 609.C	OTHER
JANUARY		0	120	
FEBRUARY		0	148	
MARCH		0	110	
APRIL		0	105	
MAY		0	111	
JUNE		0	94	
JULY		0	167	
AUGUST		0	116	
SEPTEMBER		0	87	
OCTOBER		0	131	
NOVEMBER		0	113	
DECEMBER		0	112	
TOTALS →		0	1,414	

OTHER (description):

**COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.
YEAR ENDING 12/31/2012**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported \$4,199,355
Estimated or Actual Federal Tax Liability \$1,434,277

State Taxable Income Reported \$4,199,355
Estimated or Actual State Tax Liability \$197,774

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \$1,205,531
Amount of Gross-Up Tax Collected \$0
Total Grossed-Up Contributions/Advances \$1,205,531

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

April 15, 2013

DATE

Ron Fleming

PRINTED NAME

President, Regulated Utilities Division

TITLE

**COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.
YEAR ENDING 12/31/2012**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: **\$267,089.17**

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. Certain additional property tax amounts are owing for 2012, which the company intends to pay when funds become available.

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED
APR 16 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA
I, THE UNDERSIGNED RON FLEMING, PRESIDENT, REGULATED UTILITIES DIVISION
OF THE GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

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

FOR THE YEAR ENDING

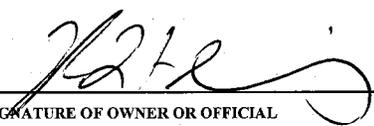
MONTH	DAY	YEAR
12	31	2012

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.~~ See explanation above.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



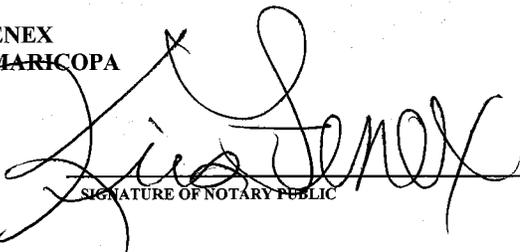
SIGNATURE OF OWNER OR OFFICIAL

623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME KRIS FENEX
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2013.

 **KRIS FENEX**
Notary Public, State of Arizona
Maricopa County
My Commission Expires
January 09, 2017



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 16 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA
I, THE UNDERSIGNED RON FLEMING, PRESIDENT, REGULATED UTILITIES DIVISION
OF THE GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2012

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 REQUIREMENT 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 CALENDAR YEAR 2012 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 13,273,230

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$29,146
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL
623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME KRIS FENEX
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2013.



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED
APR 16 2013
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA
I, THE UNDERSIGNED RON FLEMING, PRESIDENT
OF THE GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2012

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 40-401.01, 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 CALENDAR YEAR 2012 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES <u>\$12,128,542</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$0 _____ IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.**

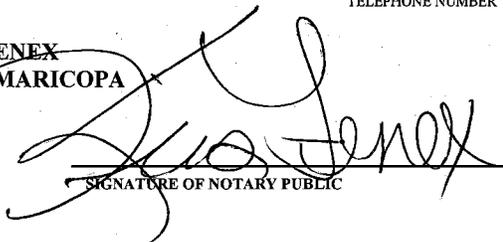


SIGNATURE OF OWNER OR OFFICIAL

623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME KRIS FENEX
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2013.



SIGNATURE OF NOTARY PUBLIC

 KRIS FENEX Notary Public, State of Arizona Maricopa County My Commission Expires January 09, 2017
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