

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01816A

Spanish Trail Water Company
2200 E. River Rd., Ste. 115
Tucson, AZ 85718

RECEIVED

MAR 20 2013

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012
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FOR COMMISSION USE

ANN 04	12
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3-21-13

COMPANY INFORMATION

Company Name (Business Name) Spanish Trail Water Company

Mailing Address 2200 E. River Rd, Ste. 115
(Street)

Tucson
(City)

AZ
(State)

857189
(Zip)

520-577-0200

Telephone No. (Include Area Code)

520-299-5602

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address mweinberg@diamondven.com

Local Office Mailing Address 2200 E. River Road, Suite 115
(Street)

Tucson
(City)

AZ
(State)

85718
(Zip)

520-577-0200

Local Office Telephone No. (Include Area Code)

520-299-5602

Fax No. (Include Area Code)

520-429-8627

Cell No. (Include Area Code)

Email Address mweinberg@diamondven.com

MANAGEMENT INFORMATION

Regulatory Contact:

Management Contact: Mark Weinberg General Manager
(Name) (Title)

2200 E. River Road, Suite 115
(Street)

Tucson

(City)

AZ

(State)

85718

(Zip)

520-577-0200

Telephone No. (Include Area Code)

520-299-5602

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address mweinberg@diamondven.com

On Site Manager: Lisa Sullivan – Smyth Utility Management
(Name)

PO Box 14858

(Street)

Tucson

(City)

AZ

(State)

85732

(Zip)

520-398-9815

Telephone No. (Include Area Code)

520-838-8778

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address dkale@redrockutilities.com

Statutory Agent: Chad Kolodisner
(Name)

2200 E. River Road, Suite 115 Tucson AZ 85718
(Street) (City) (State) (Zip)

520-577-0200 520-299-5602
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Lawrence Robertson Jr.
(Name)

2247 E. Frontage Rd (PO Box 1448) Tubac AZ 85646
(Street) (City) (State) (Zip)

520-398-0411
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email
Address tubaclawyer@aol.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" 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 checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |

UTILITY PLANT IN SERVICE

COMPANY NAME **Spanish Trail Water Company**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$3,394	\$1,615	\$1,779
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	1,594	1,594	0
307	Wells and Springs	133,626	81,310	52,316
311	Pumping Equipment	70,377	70,377	0
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	96,928	34,617	62,311
331	Transmission and Distribution Mains	462,083	376,652	85,431
333	Services	23,523	22,454	1,078
334	Meters and Meter Installations	61,992	35,651	26,341
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	\$853,526	\$624,270	\$229,256

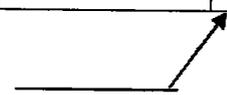
This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	\$3,394	0.00%	\$0
302	Franchises		5.0%	
303	Land and Land Rights		5.0%	
304	Structures and Improvements	1,594	5.0%	0
307	Wells and Springs	133,626	5.0%	6,681
311	Pumping Equipment	70,377	5.0%	0
320	Water Treatment Equipment		5.0%	
330	Distribution Reservoirs and Standpipes	96,928	5.0%	4,020
331	Transmission and Distribution Mains	462,083	5.0%	23,104
333	Services	23,523	5.0%	1,177
334	Meters and Meter Installations	61,992	5.0%	3,100
335	Hydrants		5.0%	
336	Backflow Prevention Devices		5.0%	
339	Other Plant and Misc. Equipment		5.0%	
340	Office Furniture and Equipment		5.0%	
341	Transportation Equipment		5.0%	
343	Tools, Shop and Garage Equipment		5.0%	
344	Laboratory Equipment		5.0%	
345	Power Operated Equipment		5.0%	
346	Communication Equipment		5.0%	
347	Miscellaneous Equipment		5.0%	
348	Other Tangible Plant		5.0%	
	TOTALS	\$853,526		\$38,082

This amount goes on the Comparative Statement of Income and Expense Acct. No. 403.



85

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$106,625	\$21,919
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	7,095	4,549
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	113,720	26,468
	TOTAL CURRENT AND ACCRUED ASSETS		
	FIXED ASSETS		
101	Utility Plant in Service	\$853,526	\$853,526
103	Property Held for Future Use	12,000	12,000
105	Construction Work in Progress	236,271	236,271
108	Accumulated Depreciation – Utility Plant	(586,188)	(624,270)
121			
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$515,609	\$477,527
	TOTAL ASSETS	\$629,329	\$503,996

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

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable		
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	\$19,823	\$17,860
236	Accrued Taxes	4,722	4,722
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$24,545	\$22,582
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	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	\$286,439	\$286,439
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$286,439	\$286,439
	TOTAL LIABILITIES	\$310,984	\$309,021
	CAPITAL ACCOUNTS		
201	Common Stock Issued	1,000	1,000
211	Paid in Capital in Excess of Par Value	4,123,493	4,123,493
215	Retained Earnings	(3,806,148)	(3,929,519)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$318,345	\$194,974
	TOTAL LIABILITIES AND CAPITAL	\$629,329	\$503,996

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$155,403	\$134,659
460	Unmetered Water Revenue		
414	Gain From Disposition of Utility Property	50,870	0
	TOTAL REVENUES	\$206,273	\$134,659
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water	\$37,835	\$15,533
615	Purchased Power	15,888	49,141
618	Chemicals		
620	Repairs and Maintenance	7,463	12,793
621	Office Supplies and Expense	2,206	1,581
630	Outside Services	51,733	43,416
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	1,053	596
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	5,108	
403	Depreciation Expense	38,082	38,082
408	Taxes Other Than Income	108,585	87,286
408.11	Property Taxes	7,997	8,460
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$275,950	\$256,888
	OPERATING INCOME/(LOSS)	\$(69,677)	\$(122,229)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		\$1,142
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$0	\$1,142
	NET INCOME/(LOSS)	\$(69,677)	\$(123,371)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

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

Meter Deposit Balance at Test Year End \$ 17,104

Meter Deposits Refunded During the Test Year \$1,983

COMPANY NAME: Spanish Trail Water Company

Name of System: Spanish Trail Water Co.ADEQ Public Water System Number: 10127

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-622249	5	50		8	2	
55-622256	40	400		12	4	
55-536560	20	305		12	6	1993

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Saguaro Water Company		9,872
N/A		

BOOSTER PUMPS

FIRE HYDRANTS

Horsepower	Quantity	Quantity Standard	Quantity Other
25	2	27	
7.5	2		

STORAGE TANKS

PRESSURE TANKS

Capacity	Quantity	Capacity	Quantity
10,000	1	1,000	1
10,000	1	2,000	1
		3,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Spanish Trail Water Company

Name of System: Spanish Trail Water Co.ADEQ Public Water System Number: 10127

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	395	3,500	2,998	647
FEBRUARY	395	2,805	2,188	719
MARCH	396	3,461	2,816	784
APRIL	400	3,816	3,245	734
MAY	393	3,843	3,055	948
JUNE	395	4,086	3,321	950
JULY	396	5,914	6,538	725
AUGUST	396	4,287	4,173	866
SEPTEMBER	396	4,454	4,291	1,021
OCTOBER	396	6,188	6,512	1,061
NOVEMBER	396	3,748	3,758	789
DECEMBER	396	2,931	2,581	627
TOTALS →		49,033	45,476	9,872

What is the level of arsenic for each well on your system? York Well < 0.0001 mg/l

(If more than one well, please list each separately.)

Barn Well < 0.0001 mg/l

Rocking K Well < 0.0001 mg/l

If system has fire hydrants, what is the fire flow requirement? 1,000 GPM for 8 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes

(X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes

() No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Spanish Trail Water Company

Name of System: Spanish Trail Water Co.ADEQ Public Water System Number: 10127

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	
FEBRUARY	0	2	
MARCH	0	0	
APRIL	0	3	
MAY	0	0	
JUNE	0	0	
JULY	0	0	
AUGUST	0	5	
SEPTEMBER	0	0	
OCTOBER	0	0	
NOVEMBER	0	0	
DECEMBER	0	0	
TOTALS →	0	10	

OTHER (description):

COMPANY NAME Spanish Trail Water Company

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 8,460.09

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.

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF Arizona

**I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME) Pima County
NAME (OWNER OR OFFICIAL) TITLE Diamond Ventures, Inc, an Arizona Corporation, Manager, by its Vice President, Mark Weinberg
COMPANY NAME Spanish Trail Water Company

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

FOR THE YEAR ENDING

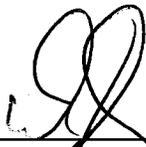
MONTH	DAY	YEAR
12	31	2012

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.

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



SIGNATURE OF OWNER OR OFFICIAL

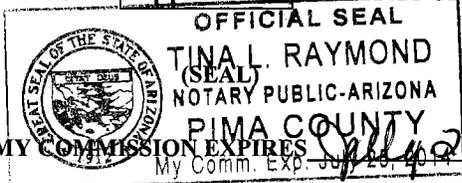
(520) 577-0200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 19th DAY OF



COUNTY NAME Pima
MONTH March .2013



SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Spanish Trail Water Company

COMPANY NAME Spanish Trail Water Company **YEAR ENDING 12/31/2012**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>
State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

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

Mark Weinberg
PRINTED NAME

3/19/13

DATE

Vice President, Diamond Ventures Inc., Manager
TITLE

COMPANY NAME Spanish Trail Water Company

RECEIVED

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

MAR 20 2013

AZ CORP COMM Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED OF THE

Form with fields: COUNTY OF (COUNTY NAME) Pima, NAME (OWNER OR OFFICIAL) TITLE Diamond Ventures, Inc, an Arizona Corporation, Manager, by its Vice President, Mark Weinberg, COMPANY NAME Spanish Trail Water Company

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

FOR THE YEAR ENDING

Table with columns: MONTH 12, DAY 31, YEAR 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 (\$) \$ 134,659

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 10,173 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 and telephone number (520) 577-5200

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 19th DAY OF

Form with fields: COUNTY NAME Pima, MONTH March, 2013



Signature of Notary Public: Tina L. Raymond

MAR 20 2013

AZ CORP COMM
Director Utilities

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

VERIFICATION
STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

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

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Diamond Ventures, Inc, an Arizona Corporation, Manager, by its Vice President, Mark Weinberg	TITLE Vice President, Diamond Ventures, Manager
COMPANY NAME Spanish Trail Water Company	

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 \$ 132,695

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 10,024
IN SALES TAXES BILLED, OR COLLECTED

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



SIGNATURE OF OWNER OR OFFICIAL

(520) 577-0200

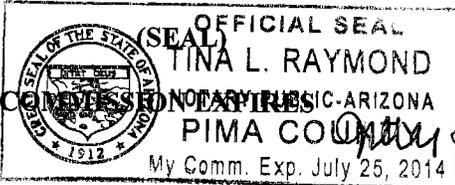
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 19th DAY OF

NOTARY PUBLIC NAME	Tina L. Raymond
COUNTY NAME	Pima
MONTH	March
	2013





SIGNATURE OF NOTARY P