

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W -01537A

Shepard Water Company
10430 N. Martinez Lake Road
Yuma, AZ 85365

RECEIVED

MAY 18 2014

AZ CORP COMM
Director - Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2013
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FOR COMMISSION USE

ANN 04	13
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5-16-14

COMPANY INFORMATION

Company Name (Business Name) <u>Shepard Water Company</u>		
Mailing Address <u>10430 N. Martinez Lake Road</u> (Street)		
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85365</u> (Zip)
<u>928-783-9589</u> Telephone No. (Include Area Code)	<u>928-782-3360</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address <u>info@martinezlake.com</u>		
Local Office Mailing Address <u>10430 N. Martinez Lake Road</u> (Street)		
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85365</u> (Zip)
<u>928-783-9589</u> Local Office Telephone No. (Include Area Code)	<u>928-782-3360</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address <u>info@martinezlake.com</u>		

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact: <u>Laura Guth</u> <u>Vice President</u> (Name) (Title)			
<u>10430 N. Martinez Lake Road</u> (Street)	<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85365</u> (Zip)
<u>928-783-9589</u> Telephone No. (Include Area Code)	<u>928-782-3360</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
Email Address <u>info@martinezlake.com</u>			
On Site Manager: <u>Laura Guth</u> (Name)			
<u>10430 N. Martinez Lake Road</u> (Street)	<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85365</u> (Zip)
<u>928-783-9589</u> Telephone No. (Include Area Code)	<u>928-782-3360</u> Fax No. (Include Area Code)	 Cell No. (Include Area Code)	
Email Address <u>info@martinezlake.com</u>			

Statutory Agent: Wade Noble

(Name)

1405 W. 16th St.

(Street)

Yuma

(City)

AZ

(State)

85364

(Zip)

928-343-9947

Telephone No. (Include Area Code)

928-343-9483

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Wade Noble

(Name)

1405 W. 16th St.

(Street)

Yuma

(City)

AZ

(State)

85364

(Zip)

928-343-9947

Telephone No. (Include Area Code)

928-343-9483

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address wade@noblelaw.com

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 type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input checked="" type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

WILLIAM M. CLEMENTS

CERTIFIED PUBLIC ACCOUNTANT

1421 S. Fifth Avenue
Yuma, Arizona 85364
(928) 782-7503
FAX (928) 782-6845
wmccpa@c2i2.com

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MAY 13 2014

AZ CORP COMM
Director - Utilities

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Shepard Water Company
Yuma, AZ

May 9, 2014

I have compiled the balance sheet of Shepard Water Company (a corporation) as of December 31, 2013 and 2012, and the related statements of income and expense for the years then ended included in the accompanying prescribed form. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Arizona Corporation Commission Utilities Division.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Arizona Corporation Commission Utilities Division and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Shepard Water Company
Page 2
May 9, 2014

These financial statements (including related disclosures) are presented in accordance with the requirements of the Arizona Corporation Commission Utilities Division which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Arizona Corporation Commission Utilities Division and is not intended to be and should not be used by anyone other than this specified party.

I am not independent with respect to Shepard Water Company.

A handwritten signature in black ink, appearing to read "William M. Clements". The signature is stylized with a large, looping flourish at the end.

William M. Clements
Certified Public Accountant

COMPANY NAME Shepard Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	708		708
302	Franchises	2,708		2,708
303	Land and Land Rights	250		250
304	Structures and Improvements	59,265	6,518	52,747
307	Wells and Springs	4,424	4,424	-
311	Pumping Equipment	83,003	11,790	71,213
320	Water Treatment Equipment	205,981	22,660	183,321
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	43,682	4,807	38,875
330.2	Pressure Tanks			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	16,890	1,859	15,031
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	509	497	12
340.1	Computers & Software			
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	417,420	52,555	364,865

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

COMPANY NAME

Shepard Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	708		
302	Franchises	2,708		
303	Land and Land Rights	250		
304	Structures and Improvements	59,265	2.0	1,185
307	Wells and Springs	4,424		
311	Pumping Equipment	3,069 79,934	2.0	1,598
320	Water Treatment Equipment	205,981	2.0	4,120
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks	43,682	2.0	874
330.2	Pressure Tanks			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	16,890	2.0	338
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	509		
340.1	Computers & Software			
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	417,420		8,115

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

Shepard Water Company
Note to Financial Statements
December 31, 2013

Note A Restated Financial Statements

The December 31, 2013, financial statements are restated to correct an error. A December 15, 2013, invoice billing for metered residential water service was discovered to be in error. Water service that should have been billed as \$10.09 was billed as \$10,087.50, an overbilling of \$10,077.41. With the correction of that error, previously reported Metered Water Revenue decreases \$10,077, Sales Taxes Payable decreases \$676, and Accounts Receivable decreases \$10,754; the Deferred Tax Benefit of the Net Operating Loss Carryforward increases \$1,512, resulting in an \$8,565 increase in the 2013 net loss.

Revised 5-15-15

COMPANY NAME Shepard Water Company

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1,875	\$ 1,822
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	57,327	67,880
146	Notes/Receivables from Associated Companies	108,439	108,439
151	Plant Material and Supplies		
162	Prepayments	250	250
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 167,891	\$ 178,391
	FIXED ASSETS		
101	Utility Plant in Service	\$ 417,420	\$ 417,420
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(44,441)	(52,556)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 372,979	\$ 364,864
	Other Assets	59,112	37,640
	TOTAL ASSETS	\$ 599,982	\$ 580,895

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

Revised 5-15-15

COMPANY NAME Shepard Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 17,482	\$ 21,041
232	Notes Payable (Current Portion)	24,482	
234	Notes/Accounts Payable to Associated Companies	22,355	28,380
235	Customer Deposits		
236	Accrued Taxes	50	50
237	Accrued Interest	462,294	495,713
241	Miscellaneous Current and Accrued Liabilities	4,176	4,498
	TOTAL CURRENT LIABILITIES	\$ 530,839	\$ 549,682
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 20,887	\$ -
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	8,229	10,055
	TOTAL DEFERRED CREDITS	\$ 8,229	\$ 10,055
	TOTAL LIABILITIES	\$ 559,955	\$ 559,737
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,000	\$ 1,000
211	Paid in Capital in Excess of Par Value	6,096	6,096
215	Retained Earnings	32,931	14,062
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 40,027	\$ 21,158
	TOTAL LIABILITIES AND CAPITAL	\$ 599,982	\$ 580,895

Revised 5-15-15

COMPANY NAME Shepard Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 19,779	\$ 19,815
460	Unmetered Water Revenue	8,959	8,564
474	Other Water Revenues	7,835	7,880
	TOTAL REVENUES	\$ 36,573	\$ 36,259
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	4,609	3,599
618	Chemicals		
620	Repairs and Maintenance	159	-
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing	3,486	5,373
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	-	4,000
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	5,410	4,800
403	Depreciation Expense	8,115	8,115
408	Taxes Other Than Income		
408.11	Property Taxes	1,547	1,244
409	Income Tax	(3,015)	(3,280)
	TOTAL OPERATING EXPENSES	\$ 20,311	\$ 23,851
	OPERATING INCOME/(LOSS)	\$ 16,262	\$ 12,408
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ -	\$ 3,191
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(33,668)	(34,468)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (33,668)	\$ (31,277)
	NET INCOME/(LOSS)	\$ (17,406)	\$ (18,869)

COMPANY NAME Shepard Water Company

BALANCE SHEET

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	CURRENT AND ACCRUED ASSETS		
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151	Plant Material and Supplies		
162	Prepayments	250	250
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	TOTAL CURRENT AND ACCRUED ASSETS	\$ 167,891	\$ 189,144
	FIXED ASSETS		
101	Utility Plant in Service	\$ 417,420	\$ 417,420
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(44,441)	(52,556)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 372,979	\$ 364,864
	OTHER ASSETS	59,112	36,128
	TOTAL ASSETS	\$ 599,982	\$ 590,136

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

COMPANY NAME Shepard Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
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237	Utility Plant Equipment Payable	462,294	495,713
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	TOTAL CURRENT LIABILITIES	\$ 530,839	\$ 550,358
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	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax	8,229	10,055
	TOTAL DEFERRED CREDITS	\$ 8,229	\$ 10,055
	TOTAL LIABILITIES	\$ 559,955	\$ 560,413
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 1,000	\$ 1,000
211	Paid in Capital in Excess of Par Value	6,096	6,096
215	Retained Earnings	32,931	22,627
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 40,027	\$ 29,723
	TOTAL LIABILITIES AND CAPITAL	\$ 599,982	\$ 590,136

COMPANY NAME Shepard Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

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460	Unmetered Water Revenue	8,959	8,564
474	Other Water Revenues	7,835	7,880
	TOTAL REVENUES	\$ 36,573	\$ 46,336
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	4,609	3,599
618	Chemicals		
620	Repairs and Maintenance	159	-
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing	3,486	5,373
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650	Transportation Expenses		
657	Insurance -- General Liability	-	4,000
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403	Depreciation Expense	8,115	8,115
408	Taxes Other Than Income		
408.11	Property Taxes	1,547	1,244
409	Income Tax	(3,015)	(1,768)
	TOTAL OPERATING EXPENSES	\$ 20,311	\$ 25,363
	OPERATING INCOME/(LOSS)	\$ 16,262	\$ 20,973
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ -	\$ 3,191
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(33,668)	(34,468)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (33,668)	\$ (31,277)
	NET INCOME/(LOSS)	\$ (17,406)	\$ (10,304)

COMPANY NAME Shepard Water Company

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1/25/02			
Source of Loan	State of AZ WIFA			
ACC Decision No.	62091			
Reason for Loan	Water Treatment Facility			
Dollar Amount Issued	\$ 299,475	\$	\$	\$
Amount Outstanding	\$ -0-	\$	\$	\$
Date of Maturity	10/1/14			
Interest Rate (1)	3.26 %	%	%	%
3.26% Interest	987			
Current Year Interest Admin Fee	\$ 908	\$	\$	\$
Current Year Principle	\$ 45,369	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

(1) Plus a monthly 3% administrative fee

COMPANY NAME Shepard Water Company
Name of System: ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-616951	5 HP	75		8	2	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

N/A

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7 1/2 HP	4	12	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
55,000	1	44 gallon	1

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

COMPANY NAME Shepard Water Company	
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	200
3		
4		
5		
6	PVC	5,800
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	71
3/4	
1	1
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

Arsenic treatment system	\$ 141,385
Chlorination	5,096
Arsenic engineering	5,000
Water system engineering	54,500

STRUCTURES:

Retaining wall	\$ 36,598
Concrete slab	4,951
Chain link fence	10,484
Block wall	1,019
Gravel	6,213

OTHER:

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

COMPANY NAME: Shepard Water Company	
Name of System:	ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	Number of Users	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	207	171	387,500	387,600	
FEBRUARY	207	171	370,700	370,800	
MARCH	207	171	505,300	505,400	
APRIL	207	171	415,000	415,100	
MAY	207	171	637,600	637,700	
JUNE	207	171	497,000	497,100	
JULY	207	171	584,000	584,100	
AUGUST	207	171	572,000	572,100	
SEPTEMBER	207	171	481,300	481,400	
OCTOBER	207	171	459,000	459,100	
NOVEMBER	207	171	448,400	448,500	
DECEMBER	207	171	318,500	318,600	
TOTALS →			5,676,300	5,677,500	

What is the level of arsenic for each well on your system? .0069 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 500 GPM for 1 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

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

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
DRINKING WATER INORGANIC CHEMICAL ANALYSIS REPORTING FORM

ENTRY POINT TO THE DISTRIBUTION SYSTEM (EPDS) ONLY

AZ04 14014

 PWS ID #
2/13/2014

 SAMPLE DATE
Ralph E Smith Sr

 OWNER/CONTACT PERSON NAME
EPDS 001

 SAMPLING SITE ID

Shepard Water Co

 PWS NAME
15:01

 SAMPLE TIME (24 HR CLOCK)
520-429-0135

 OWNER/CONTACT PERSON PHONE NUMBER
520-515-7404

 OWNER/CONTACT FAX NUMBER

SAMPLE COLLECTION POINT
 EPDS # 001

SAMPLE TYPE
 COMPLIANCE MONITORING

FOR MCL OR COMPOSITE LEVEL EXCEEDANCE

Original Violation Specimen Number

SAMPLE TYPE
 CONFIRMATION-MCL
 CONFIRMATION FOR COMPOSITE

INORGANIC CHEMICAL ANALYSIS

>>>TO BE FILLED OUT BY LABORATORY PERSONNEL<<<

ANALYSIS METHOD	MCL	REPORTING LIMIT	CONTAMINANT NAME	CONT. CODE	ANALYSIS RUN DATE	RESULT	EXCEEDS MCL	EXCEEDS TRIGGER LIMIT
200.8	0.01	0.005	Arsenic	1005	2/20/14	0.00690		
	2	1	Barium	1010				
	0.005	0.0025	Cadmium	1015				
	0.1	0.05	Chromium	1020				
	4	0.5	Fluoride	1025				
	0.002	0.001	Mercury	1035				
	10	2.5	Nitrate (as N)	1040				(5 mg/L) _____
	1	0.25	Nitrite (as N)	1041				(0.5 mg/L) _____
	0.05	0.025	Selenium	1045				
	0.006	0.003	Antimony	1074				
	0.004	0.002	Beryllium	1075				
	0.2	0.1	Cyanide (as free cyanide)	1024				
	No MCL	0.05	Nickel*	1036				
	0.002	0.001	Thallium	1085				
	No MCL	10	Sodium*	1052				

LABORATORY INFORMATION

>>>>>TO BE FILLED OUT BY LABORATORY PERSONNEL<<<<<

Lab ID Number: AZ0757
 Specimen Number: 479215-001
 Name: Trans West Analytical
 Printed Name and Phone Number of Lab Contact: Tracey Mitchell 602-437-0330
 Authorized Signature: [Signature]
 Date Public Water System Notified: _____
 Comments: Method 200.8 analyzed by Xenco Laboratories - Houston, TX (AZ0765)

****All units must be reported in milligrams per liter (mg/L)**

*Contaminants without an MCL

All units must be reported in milligrams per liter (mg/l).

DWAR 21N: Revised 8/2009

COMPANY NAME: Shepard Water Company
Name of System: _____ ADEQ Public Water System Number: _____

UTILITY SHUTOFFS / DISCONNECTS

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

OTHER (description):
 Shepard Water Company did not have any shut-offs or
 disconnects in 2013.

COMPANY NAME Shepard Water Company

YEAR ENDING 12/31/2013

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2013 was: \$ 1,244.04

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. 2013 property taxes were paid on April 28, 2014. Attached is a Yuma County Treasurer's paid receipt.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

MAY 02 2014

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

<small>COUNTY OF (COUNTY NAME)</small>	Yuma
<small>NAME (OWNER OR OFFICIAL) TITLE</small>	Laura Guth, Vice President
<small>COMPANY NAME</small>	Shepard Water Company

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

FOR THE YEAR ENDING

<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>
12	31	2013

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.

Laura Jean Guth

SIGNATURE OF OWNER OR OFFICIAL

619-895-5115

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

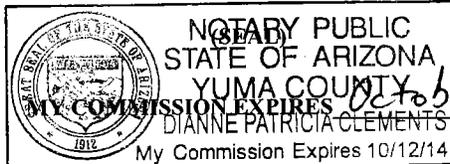
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

1st

DAY OF May
2014

<small>COUNTY NAME</small> Yuma, Arizona	
<small>MONTH</small> May	<small>YEAR</small> 2014



Dianne Patricia Clements

SIGNATURE OF NOTARY PUBLIC

Revised

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

RECEIVED

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

Form with fields: COUNTY OF (COUNTY NAME) Yuma; NAME (OWNER OR OFFICIAL) TITLE Laura Guth, Vice President; COMPANY NAME Shepard Water Company

MAY 15 2015

AZ CORP COMM Director - Utilities

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

FOR THE YEAR ENDING

Table with columns: MONTH (12), DAY (31), YEAR (2013)

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 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ 38,227

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 1,968 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: Laura Ann Guth; Telephone number: 619-895-5115

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

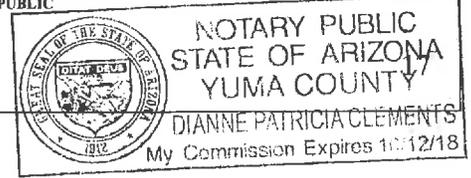
THIS 13th DAY OF

Notary Public form: COUNTY NAME Yuma; MONTH May; .2015

(SEAL)

Signature of Notary Public: Dianne Patricia Clements

MY COMMISSION EXPIRES October 12, 2018



Revised

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE Intrastate Revenues Only

RECEIVED

MAY 15 2015

AZ CORP COMM Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

Form with fields: COUNTY OF (COUNTY NAME) Yuma, NAME (OWNER OR OFFICIAL) Laura Guth, TITLE Vice President, COMPANY NAME Shepard 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 2013

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 2013 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 27,147

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 1,305 IN SALES TAXES BILLED, OR COLLECTED)

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

Signature of Laura Guth

SIGNATURE OF OWNER OR OFFICIAL

619-895-5115

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13th

DAY OF

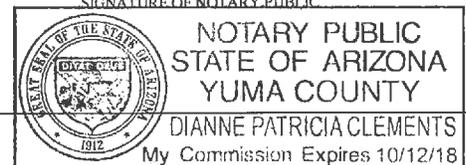
NOTARY PUBLIC NAME Dianne Patricia Clements, COUNTY NAME Yuma, AZ, MONTH May, 2015

(SEAL)

MY COMMISSION EXPIRES Oct. 12/2018

Signature of Dianne Patricia Clements

SIGNATURE OF NOTARY PUBLIC



**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 02 2014

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Yuma
NAME (OWNER OR OFFICIAL) TITLE	Laura Guth, Vice President
COMPANY NAME	Shepard Water Company

AZ CORP COMM
Director - Utilities

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

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 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>48,980</u>

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2,644
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)**

Laura Jean Guth

SIGNATURE OF OWNER OR OFFICIAL

619-895-5115

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	Yuma, Arizona
MONTH	May
	2014



NOTARY PUBLIC
STATE OF ARIZONA
YUMA COUNTY
DIANNE PATRICIA CLEMENTS

DAY OF

Dianne Patricia Clements

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES October 12, 2014

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

MAY 02 2014

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Yuma	
NAME (OWNER OR OFFICIAL) Laura Guth	TITLE Vice President
COMPANY NAME Shepard Water Company	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

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 2013 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 37,901
--

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1,981
IN SALES TAXES BILLED, OR COLLECTED)

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

Laura Jean Guth

SIGNATURE OF OWNER OR OFFICIAL

619-895-5115

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

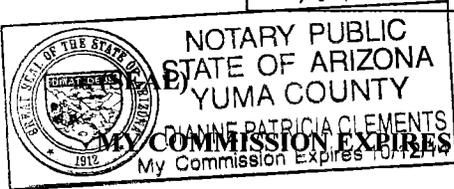
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF

NOTARY PUBLIC NAME Dianne Patricia Clements	
COUNTY NAME Yuma, Arizona	
MONTH May	2014



October
12, 2014

Dianne Patricia Clements

SIGNATURE OF NOTARY PUBLIC