ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-01731A
Alpine Water System, Inc.
PO Box 822
Alpine, AZ 85920

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Z Corporation Commissic
Director of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005

FOR COMMISSION USE

ANN04	05

COMPANY INFORMATION

Company Name (Business Name) Alpine Water System Inc

Mailing Address PO Box 822
(Street)

Alpine (City) | Az (State) | 85920 (Zip)

928-339-4065 Telephone No. (Include Area Code) | 928-339-4065 Fax No. (Include Area Code) | 928-521-3233 Pager/Cell No. (Include Area Code)

Email Address aws@wmonline.com

Local Office Mailing Address Same
(Street)

(City) | (State) | (Zip)

Local Office Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

Management Contact: Gavin Lamont (Name) | General Manager (Title)

PO Box 382 (Street) | Alpine (City) | Az (State) | 85920 (Zip)

928-339-4065 Telephone No. (Include Area Code) | 928-339-4065 Fax No. (Include Area Code) | 928-521-3233 Pager/Cell No. (Include Area Code)

Email Address aws@wmonline.com

On Site Manager: Same
(Name)

(Street) | (City) | (State) | (Zip)

Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code)

Email Address

☐ **Please mark this box if the above address(es) have changed or are updated since the last filing.**

Statutory Agent: M. Wayne Lewis
(Name)

950 W. Flint St | Chandler | AZ | 85224
(Street) | (City) | (State) | (Zip)

480-963-7661 | 480-821-8948
Telephone No. (Include Area Code) | Fax No. (Include Area Code | Pager/Cell No. (Include Area Code)

Attorney: _____
(Name)

(Street) | (City) | (State) | (Zip)

Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code)

☐ **Please mark this box if the above address(es) have changed or are updated since the last filing.**

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☐ **Sole Proprietor (S)**
- ☐ **C Corporation (C) (Other than Association/Co-op)**
- ☐ **Partnership (P)**
- ☐ **Subchapter S Corporation (Z)**
- ☐ **Bankruptcy (B)**
- ☐ **Association/Co-op (A)**
- ☐ **Receivership (R)**
- ☐ **Limited Liability Company**
- ☒ **Other (Describe)** non profit corporation

COUNTIES SERVED

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

- ☒ **APACHE**
- ☐ **COCHISE**
- ☐ **COCONINO**
- ☐ **GILA**
- ☐ **GRAHAM**
- ☐ **GREENLEE**
- ☐ **LA PAZ**
- ☐ **MARICOPA**
- ☐ **MOHAVE**
- ☐ **NAVAJO**
- ☐ **PIMA**
- ☐ **PINAL**
- ☐ **SANTA CRUZ**
- ☐ **YAVAPAI**
- ☐ **YUMA**
- ☐ **STATEWIDE**

COMPANY NAME Alpine Water System Inc

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	800		800
304	Structures and Improvements	4601	4601	0
307	Wells and Springs	9927	9927	0
311	Pumping Equipment	6474	6165	309
320	Water Treatment Equipment	704	704	0
330	Distribution Reservoirs and Standpipes	22314	22314	0
331	Transmission and Distribution Mains	1,118490	285638	832852
333	Services	17236	17236	0
334	Meters and Meter Installations	23355	22963	392
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	3283	3283	0
340	Office Furniture and Equipment	6821	4352	2469
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	50734	8652	42082
	TOTALS	1,264739	385835	878904

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

COMPANY NAME Alpine Water System Inc

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	800		0
304	Structures and Improvements	4601	3.4	0
307	Wells and Springs	9927	3.4	0
311	Pumping Equipment	6474	3.4	220
320	Water Treatment Equipment	704	3.4	0
330	Distribution Reservoirs and Standpipes	22314	3.4	0
331	Transmission and Distribution Mains	1118490	3.4	31533
333	Services	17236	3.4	0
334	Meters and Meter Installations	23355	3.4	794
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	3283	3.4	87
340	Office Furniture and Equipment	6821	3.4	232
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	50734	3.4	1725
	TOTALS	1264739		34691

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

COMPANY NAME	Alpine Water System Inc

BALANCE SHEET

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 39645	$ 44653
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	12083	17406
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	30701	30701
	TOTAL CURRENT AND ACCRUED ASSETS	$ 82429	$ 92760
	FIXED ASSETS		
101	Utility Plant in Service	$ 1264739	$ 1264739
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	353973	388565
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	$ 910766	$ 876174
	TOTAL ASSETS	$ 993195	$ 968934

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

COMPANY NAME Alpine Water System Inc.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	$ 17984	$ 21389
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	5098	5098
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	$ 23082	$ 26487
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$ 855746	$ 754421
	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		
	TOTAL DEFERRED CREDITS	$	$
	TOTAL LIABILITIES	$ 878828	$ 780907
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$	$
211	Paid in Capital in Excess of Par Value	46617	115124
215	Retained Earnings	67750	72903
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	$ 114367	$ 188027
	TOTAL LIABILITIES AND CAPITAL	$ 993195	$ 968934

COMPANY NAME	Alpine Water System Inc

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 127645	$ 122441
460	Unmetered Water Revenue		2385
474	Other Water Revenues		12940
	TOTAL REVENUES	$ 127645	$ 137766
	OPERATING EXPENSES		
601	Salaries and Wages	$ 23224	$ 30861
610	Purchased Water		
615	Purchased Power	4001	3637
618	Chemicals		
620	Repairs and Maintenance	7886	10781
621	Office Supplies and Expense	2349	8543
630	Outside Services	2570	1945
635	Water Testing	979	27
641	Rents	3145	1975
650	Transportation Expenses	1875	2758
657	Insurance – General Liability	4157	4842
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	14799	25611
403	Depreciation Expense	34616	34591
408	Taxes Other Than Income	2169	2405
408.11	Property Taxes	4300	4738
409	Income Tax		
	TOTAL OPERATING EXPENSES	$ 106090	$ 132614
	OPERATING INCOME/(LOSS)	$ 21555	$ 5152
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	$	$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	$	$
	NET INCOME/(LOSS)	$ 21555	$ 5152

COMPANY NAME	Alpine Water System Inc

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1999			
Source of Loan	WIFA			
ACC Decision No.	61275			
Reason for Loan	New Const			
Dollar Amount Issued	$ 805627	$	$	$
Amount Outstanding	$ 754421	$	$	$
Date of Maturity	12/15/2019			
Interest Rate	3.938 %	%	%	%
Current Year Interest	$	$	$	$
Current Year Principle	$	$	$	$

Meter Deposit Balance at Test Year End $ 5098

Meter Deposits Refunded During the Test Year $

COMPANY NAME	Alpine Water System Inc

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-602-758	1 1/2	24	148	12"	2"	1977
55-602-759	3/4	25	109	6"	2"	<1967
55-602-760	1 1/2	18	180	6"	1 1/2"	<1967

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
working springs	30-70	

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
280,000			

COMPANY NAME	Alpine Water System Inc

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Galv	7,500
3		
4	PVC	4,470
5		
6	PVC	8110
8	PVC	2732
10	PVC	2855
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	191
3/4	2
1	9
1 1/2	2
2	5
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	1

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

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: Alpine Water System Inc

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	221	1,050,970	858,090
FEBRUARY		558,890	888,900
MARCH		606,270	945,160
APRIL		634,730	1,030,420
MAY		1,110,590	1,730,770
JUNE		1,583,305	2,236,590
JULY		1,304,095	2,095,090
AUGUST		1,150,080	1,929,430
SEPTEMBER		1,116,710	2,705,970
OCTOBER		2,881,883	1,514,350
NOVEMBER		673,095	1,307,760
DECEMBER	221	649,655	1,028,610
	TOTAL	13,320,273	18,271,140

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

( ) Yes (X) No

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

( ) Yes (X) No

If yes, provide the GPCPD amount:_____

What is the level of arsenic for each well on your system. 0 **mg/l**
(If more than one well, please list each separately.)

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

COMPANY NAME Alpine Water System Inc. **YEAR ENDING 12/31/2005**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: $ 4738

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

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Z Corporation Commissic
Director of Utilities

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Apache
NAME (OWNER OR OFFICIAL) TITLE	Gavin R. Lumont
COMPANY NAME	Alpine Water Systems 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	2005

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

928-339-4065
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS _____ **DAY OF**

COUNTY NAME	Apache
MONTH March	20 06

OFFICIAL SEAL
LINDA FITE
NOTARY PUBLIC - State of Arizona
APACHE COUNTY
My Comm. Expires Oct. 8, 2007

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 10/08/07

COMPANY NAME Alpine Water System Inc **YEAR ENDING 12/31/2005**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported tax-exempt
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

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 **DATE**

_____ _____
PRINTED NAME **TITLE**

RECEIVED

MAR 2 2 2006

Z Corporation Commissic
Director of Utilities

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

VERIFICATION

STATE OF _____ COUNTY OF (COUNTY NAME): Apache

I, THE UNDERSIGNED — NAME (OWNER OR OFFICIAL) TITLE: Gavin R. Lamont

OF THE — COMPANY NAME: Alpine Water Systems Inc

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

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 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)

$ 172441

(THE AMOUNT IN BOX ABOVE INCLUDES $ 0 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

928-339-4065
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF Apache

THIS 1st DAY OF March, 20 06

OFFICIAL SEAL
LINDA FITE
NOTARY PUBLIC - State of Arizona
APACHE COUNTY
My Comm. Expires Oct. 8, 2007

MY COMMISSION EXPIRES 10/08/07

SIGNATURE OF NOTARY PUBLIC

RECEIVED

MAR 3 9 2006

Z Corporation Commissic
Director of Utilities

VERIFICATION AND SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Apache	
NAME (OWNER OR OFFICIAL) Gavin R Lamont	TITLE Manager
COMPANY NAME Apache Water Systems Inc	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

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 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

$ 92203

(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

928-339-4065
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 21st DAY OF

NOTARY PUBLIC NAME Linda Fite	
COUNTY NAME Apache	
MONTH March	.2006

(SEAL)

OFFICIAL SEAL
LINDA FITE
NOTARY PUBLIC - State of Arizona
APACHE COUNTY
My Comm. Expires Oct. 8, 2007

MY COMMISSION EXPIRES 10/08/07

X Linda Fite
SIGNATURE OF NOTARY PUBLIC