

ANNUAL REPORT

Of

Company Name:

PO Box 85160

Mailing Address:

Tucson AZ
85754

Docket No.:

For the Year Ended:

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April 15, 2021, 1:56 PM

**ARIZONA CORPORATION
COMMISSION UTILITIES DIVISION**

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type:

Application Date:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Clear Springs Utility Company, Inc.
A Class Utility

For the Calendar Year Ended:

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email:

Ownership:

Counties Served:

Important changes during the year	
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No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$1,625	\$0	\$0	\$1,625	\$0	\$1,625
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	210	0	0	210	0	210
304	Structures and Improvements	32,946	704	0	33,650	29,238	4,412
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	291,165	25,503	0	316,668	187,142	129,526
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	303,370	20,563	0	323,933	266,344	57,589
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	6,990	0	0	6,990	6,143	847
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	16,011	0	0	16,011	16,011	0
330.1	Storage Tanks	449,795	0	0	449,795	140,551	309,244
330.2	Pressure Tanks	5,634	4,408	0	10,042	1,378	8,664
331	Transmission and Distribution Mains	394,057	67,071	0	461,128	352,254	108,874
333	Services	137,169	9,431	0	146,600	120,674	25,926
334	Meters and Meter Installations	130,700	14,642	0	145,342	101,188	44,154
335	Hydrants	158,595	6,876	0	165,471	18,980	146,491
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	1,045	0	1,045	26	1,019
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	1,937	0	0	1,937	872	1,065
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,930,204	\$150,243	\$0	\$2,080,447	\$1,240,801	\$839,646

Clear Springs Utility Company, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/20

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$1,625	\$0	\$0	\$1,625	\$0	\$1,625	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	210	0	0	210	0	210	0.00%	0
304	Structures and Improvements	32,946	704	0	33,650	28,565	5,085	3.33%	158
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	291,165	25,503	0	316,668	179,255	137,413	3.33%	4,151
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	303,370	20,563	0	323,933	219,007	104,926	12.50%	11,831
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	6,990	0	0	6,990	4,574	2,416	20.00%	483
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	16,011	0	0	16,011	16,011	0	2.22%	0
330.1	Storage Tanks	449,795	0	0	449,795	0	449,795	2.22%	9,985
330.2	Pressure Tanks	5,634	4,408	0	10,042	0	10,042	5.00%	392
331	Transmission and Distribution Mains	394,057	67,071	0	461,128	349,434	111,694	2.00%	1,563
333	Services	137,169	9,431	0	146,600	0	146,600	3.33%	4,725
334	Meters and Meter Installations	130,700	14,642	0	145,342	66,606	78,736	8.33%	5,949
335	Hydrants	158,595	6,876	0	165,471	9,850	155,621	2.00%	3,044
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	1,045	0	1,045	0	1,045	5.00%	26
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	1,937	0	0	1,937	0	1,937	10.00%	194
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$1,930,204	\$150,243	\$0	\$2,080,447	\$873,302	\$1,207,145		\$42,500

Contribution(s) in Aid of Construction (Gross)	\$381,716
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	226,579
Amortizable Contribution(s)	\$155,137
Times: Proposed Amortization Rate	3.03%
Amortization of CIAC	\$4,360

Less: Amortization of CIAC \$4,360

DEPRECIATION EXPENSE **\$38,140**

Clear Springs Utility Company, Inc.
Annual Report
Balance Sheet Assets
12/31/20

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current and Accrued Assets			
131	Cash		\$121,807	\$59,133
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		17,078	19,002
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		9,708	14,019
	Total Current and Accrued Assets		\$148,593	\$92,154
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,930,204	\$2,080,447
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	6,101
108	Accumulated Depreciation (enter as negative)*		(1,198,301)	(1,240,801)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$731,903	\$845,747
	Total Assets		\$880,496	\$937,901

*Note these items feed automatically from AR3 UPIS Page 4

Clear Springs Utility Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current Liabilities			
231	Accounts Payable		\$5,594	\$38,055
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		11,722	11,774
236	Accrued Taxes		23,484	15,125
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		303	337
	Total Current Liabilities		\$41,103	\$65,291
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$763,070	\$737,717
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		30,220	9,642
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		359,256	381,716
272	Less: Amortization of Contributions		(255,064)	(259,434)
281	Accumulated Deferred Income Tax		(8,591)	(7,522)
	Total Deferred Credits		\$125,821	\$124,402
	Total Liabilities		\$929,994	\$927,410
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		1,840,632	1,840,632
215	Retained Earnings		(1,890,130)	(1,830,141)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$49,498)	\$10,491
	Total Liabilities and Capital		\$880,496	\$937,901

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Clear Springs Utility Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/20

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2020 - 12/31/2020	Last Year 01/01/2019 - 12/31/2019
	Operating Revenue		
461	Metered Water Revenue	\$288,978	\$280,293
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	73,783	68,137
471	Miscellaneous Service Revenues	6,769	8,931
474	Other Water Revenue	0	0
	Total Revenues	\$369,530	\$357,361
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	26,150	29,095
618	Chemicals	865	977
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	12,411	6,155
620.2	Office Supplies and Expense	1,569	4,314
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	3,472	5,258
633	Contractual Services - Legal	1,512	867
634	Contractual Services - Management Fees	132,466	132,432
635	Contractual Services - Water Testing	3,765	6,329
636	Contractual Services - Other	90	0
640	Rents	0	0
641	Rental of Building/Real Property	75	141
642	Rental of Equipment	0	0
650	Transportation Expenses	5,256	4,888
657	Insurance - General Liability	1,818	1,044
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	1,006	248
675	Miscellaneous Expense	1,482	3,257
403	Depreciation Expense (From Schedule AR4)	38,140	28,601
408	Taxes Other Than Income	0	0
408.11	Property Taxes	17,465	14,661
409	Income Taxes	15,089	17,511
427.1	Customer Security Deposit Interest	651	624
	Total Operating Expenses	\$263,282	\$256,402
	Operating Income / (Loss)	\$106,248	\$100,959
	Other Income / (Expense)		
419	Interest and Dividend Income	\$4,388	\$1,447
421	Non-Utility Income	553	749
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(40,112)	(39,223)
	Total Other Income / (Expense)	(\$35,171)	(\$37,027)
	Net Income / (Loss)	\$71,077	\$63,932

Clear Springs Utility Company, Inc.
 Annual Report
 Full time equivalent employees
 12/31/20

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			unable to	0.0
Engineering Staff			determine	0.0
System Operator(s)			without	0.0
Meter reader			significant	0.0
Customer Service			analysis	0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	0.0	0.0

Clear Springs Utility Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/20

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	11/20/2015	8/17/2016	7/20/2018	
Source of Loan	WIFA	Annece Capital	CoBank	
ACC Decision No.	74037	75590	76717	
Reason for Loan	System Improve	System Improve	System improve	
Dollar Amt. Issued	\$154,794	\$70,400	\$618,581	
Amount Outstanding	\$115,693	\$35,376	\$586,648	
Date of Maturity	11/1/2035	8/17/2036	12/20/2038	
Interest Rate	4.46%	4.46%	5.86%	
Current Year Interest	\$5,330	\$1,670	\$33,112	
Current Year Principal	\$5,302	\$3,658	\$16,393	

Meter Deposit Balance at Test Year End:	\$7,762
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Meter Deposits Refunded During the Test Year:	\$466
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Well and Water Usage

Name of the System:		CLEAR SPRINGS										
ADEQ Public Water System Number:		AZ0402008										
ADWR PCC Number:		91-000029.0000										
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2020	Meter Size (inches)	How measured:	Active	
55-603877	30	180	680	16	Submersible	1964	330	381	4	Metered	Yes	
55-502128	50	300	700	16	Submersible	1982	280	282	6	Metered	Yes	

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

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

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	2,145,439.00	1,678,447.00	0.00	0.00	0.00	\$1,124	8,391
February	1,783,577.00	1,504,453.00	0.00	0.00	0.00	1,065	7,894
March	1,892,656.00	1,546,567.00	0.00	0.00	0.00	989	7,948
April	2,224,164.00	1,717,029.00	0.00	0.00	0.00	1,696	9,488
May	3,440,840.00	2,982,073.00	14,400.00	0.00	0.00	1,848	12,415
June	3,366,416.00	2,785,201.00	0.00	0.00	10,000.00	2,197	14,653
July	3,493,277.00	2,866,797.00	1,600.00	0.00	0.00	2,170	14,340
August	3,658,000.00	2,823,135.00	0.00	0.00	0.00	2,069	13,840
September	3,134,585.00	2,539,624.00	0.00	0.00	300.00	2,029	14,800
October	3,100,187.00	2,416,834.00	0.00	0.00	5,000.00	2,028	12,498
November	2,527,996.00	2,130,615.00	0.00	0.00	0.00	1,230	10,224
December	2,027,247.00	1,619,589.00	0.00	0.00	37,500.00	1,071	8,723
Totals	32,794,384.00	26,610,364.00	16,000.00	0.00	52,800.00	\$19,516	135,214

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 Flushing = 15,300 gallons, Construction = 37,500 gallons.

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

Well and Water Usage											
Name of the System:		Well #3									
ADEQ Public Water System Number:		02-048									
ADWR PCC Number:											
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2020	Meter Size (inches)	How measured:	Active
55-603879	5	15	442	6	Submersible	1966	400	434	2	Metered	No
55-232018	5	25	610	5	Submersible	2020			2	Metered	Yes

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

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

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	19,704.00	14,540.00	0.00	0.00	0.00	\$223	1,382
February	22,183.00	28,046.00	0.00	0.00	0.00	40	17
March	12,700.00	12,190.00	0.00	0.00	0.00	39	15
April	18,000.00	16,790.00	0.00	0.00	0.00	41	28
May	23,083.00	0.00	33,530.00	14,400.00	0.00	89	149
June	45,500.00	42,163.00	0.00	0.00	0.00	113	327
July	45,853.00	44,040.00	0.00	0.00	0.00	106	254
August	45,576.00	42,190.00	0.00	0.00	0.00	98	219
September	44,863.00	43,440.00	0.00	0.00	0.00	105	251
October	38,883.00	37,060.00	0.00	0.00	0.00	94	197
November	28,127.00	26,920.00	0.00	0.00	0.00	92	167
December	22,536.00	16,570.00	0.00	0.00	0.00	150	129
Totals	367,008.00	323,949.00	33,530.00	14,400.00	0.00	\$1,189	3,135

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

¹ Water withdrawn - Total gallons of water withdrawn from pumped sources.
² Water sold - Total gallons from customer meters, and other sales such as construction water.
³ Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
⁴ Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
 #VALUE!
⁶ Enter the total purchased power costs for the power meters associated with this system.
⁷ Enter the total purchased kWh used by the power meters associated with this system.

Well and Water Usage											
Name of the System:		Well #9									
ADEQ Public Water System Number:			02-051								
ADWR PCC Number:											
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2020	Meter Size (inches)	How measured:	Active
55-603882	5	25	675	8/6	Submersible	1970	460	480	2	Metered	Yes

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

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

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	14,981.00	37,450.00	0.00	0.00	0.00	\$122	467
February	22,183.00	28,046.00	0.00	0.00	0.00	127	493
March	28,346.00	27,514.00	0.00	0.00	0.00	106	366
April	55,346.00	52,720.00	0.00	0.00	0.00	160	574
May	92,386.00	95,420.00	0.00	0.00	0.00	152	741
June	85,249.00	94,940.00	0.00	0.00	0.00	174	980
July	105,520.00	71,450.00	0.00	0.00	0.00	164	918
August	70,582.00	65,930.00	0.00	0.00	0.00	122	496
September	60,207.00	57,040.00	0.00	0.00	0.00	124	500
October	120,336.00	119,260.00	0.00	0.00	0.00	185	931
November	79,540.00	131,330.00	0.00	0.00	0.00	154	800
December	55,037.00	53,130.00	0.00	0.00	0.00	133	593
Totals	789,713.00	834,230.00	0.00	0.00	0.00	\$1,721	7,859

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

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

Water Utility Plant Description (Continued)
--

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

TREATMENT EQUIPMENT:	Two Chlorinators
STRUCTURES:	26 x 38 foot office building at 1313 Treasure Road (wellsite 16); steel frame with corrugated steel siding and roof; 4 x 8 foot treatment building at wellsite 5; wood frame with wood siding.
OTHER:	N/A

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC	137
Method used:	(a)

Water Utility Plant Description (Continued)
--

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

TREATMENT EQUIPMENT:	Chlorinator
-----------------------------	-------------

STRUCTURES:	N/A
--------------------	-----

OTHER:	N/A
---------------	-----

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC	175
Method used:	(a)

Water Utility Plant Description

Name of the System:		Well #3	
ADEQ Public Water System Number:		02-048	
ADWR PCC Number:		0	

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC	1,500

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	7	0%	33%

SERVICE LINES			
Material	Percent of system	Year installed	
Black poly	90%	Greater than	
Copper	5%	20 yrs	
PVC	5%		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
7.5	75	1

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	Poly	1	2016

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
85	Steel/rubber	3	2016

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)
--

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

TREATMENT EQUIPMENT:	N/A
-----------------------------	-----

STRUCTURES:	N/A
--------------------	-----

OTHER:	N/A
---------------	-----

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC	178
Method used:	(a)

Water Utility Plant Description (Continued)
--

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

TREATMENT EQUIPMENT:	N/A
-----------------------------	-----

STRUCTURES:	N/A
--------------------	-----

OTHER:	N/A
---------------	-----

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC	142
Method used:	(a)

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	N/A
-----------------------------	-----

STRUCTURES:	N/A
--------------------	-----

OTHER:	N/A
---------------	-----

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC	229
Method used:	(a)

Customer and Other Information	
Name of the System:	CLEAR SPRINGS
ADEQ Public Water System Number:	AZ0402008
ADWR PCC Number:	91-000029.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	480	2	43	0	0
February	482	2	44	0	0
March	480	2	45	0	0
April	482	2	46	0	0
May	482	2	43	0	0
June	483	2	45	0	0
July	482	2	45	0	0
August	482	2	45	0	0
September	489	2	46	0	0
October	493	2	46	0	0
November	491	2	46	0	0
December	491	1	46	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

* an ERC is based on the calculation on the bottom of AR9 page 12.

Customer and Other Information	
Name of the System:	CLEAR SPRINGS UTILITY
ADEQ Public Water System Number:	AZ0402049
ADWR PCC Number:	91-000061.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	17	0	0	0	0
February	17	0	0	0	0
March	17	0	0	0	0
April	17	0	0	0	0
May	17	0	0	0	0
June	17	0	0	0	0
July	17	0	0	0	0
August	17	0	0	0	0
September	17	0	0	0	0
October	17	0	0	0	0
November	17	0	0	0	0
December	17	0	0	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

* an ERC is based on the calculation on the bottom of AR9 page 12b.

Customer and Other Information	
Name of the System:	Well #3
ADEQ Public Water System Number:	02-048
ADWR PCC Number:	0

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	5	0	0	0	0
February	5	0	0	0	0
March	5	0	0	0	0
April	5	0	0	0	0
May	5	0	0	0	0
June	5	0	0	0	0
July	5	0	0	0	0
August	5	0	0	0	0
September	5	0	0	0	0
October	5	0	0	0	0
November	5	0	0	0	0
December	5	0	0	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

* an ERC is based on the calculation on the bottom of AR9 page 12c.

Customer and Other Information	
Name of the System:	Well #7
ADEQ Public Water System Number:	02-050
ADWR PCC Number:	0

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	7	0	0	0	0
February	7	0	0	0	0
March	7	0	0	0	0
April	7	0	0	0	0
May	7	0	0	0	0
June	7	0	0	0	0
July	7	0	0	0	0
August	7	0	0	0	0
September	7	0	0	0	0
October	7	0	0	0	0
November	7	0	0	0	0
December	7	0	0	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

* an ERC is based on the calculation on the bottom of AR9 page 12d.

Customer and Other Information	
Name of the System:	Well #9
ADEQ Public Water System Number:	02-051
ADWR PCC Number:	0

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	10	0	0	0	0
February	10	0	0	0	0
March	10	0	0	0	0
April	10	0	0	0	0
May	10	0	0	0	0
June	10	0	0	0	0
July	10	0	0	0	0
August	10	0	0	0	0
September	10	0	0	0	0
October	10	0	0	0	0
November	10	0	0	0	0
December	10	0	0	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

* an ERC is based on the calculation on the bottom of AR9 page 12e.

Clear Springs Utility Company, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	CLEAR SPRINGS
ADEQ Public Water System Number:	AZ0402008
ADWR PCC Number:	91-000029.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	1	0
February	0	4	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	1	0
October	0	0	0
November	0	2	0
December	0	1	0
Total	0	9	0

Other (description): N/A

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Clear Springs Utility Company, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	CLEAR SPRINGS UTILITY
ADEQ Public Water System Number:	AZ0402049
ADWR PCC Number:	91-000061.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Clear Springs Utility Company, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	Well #3
ADEQ Public Water System Number:	02-048
ADWR PCC Number:	0

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Clear Springs Utility Company, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	Well #7
ADEQ Public Water System Number:	02-050
ADWR PCC Number:	0

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Clear Springs Utility Company, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	Well #9
ADEQ Public Water System Number:	02-051
ADWR PCC Number:	0

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Clear Springs Utility Company, Inc.
Annual Report
Property Taxes
12/31/20

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2020 was	
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	\$16,063
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If no property taxes paid, explain why.

N/A

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
Company name: Clear Springs Utility Company, Inc.

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

FOR THE YEAR ENDING: 12/31/20

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.

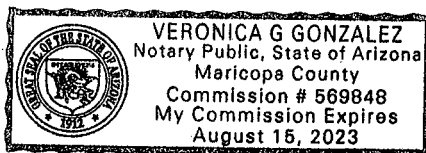
B.T.
signature of owner/official

623-935-1100
telephone no.

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

THIS 13th DAY OF Maricopa
April 2021
(month) and (year)

MY COMMISSION EXPIRES August 15, 2023
(date)



Veronica G. Gonzalez
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
Company name: Clear Springs Utility Company, Inc.

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

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

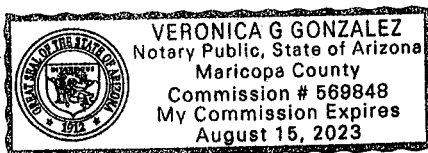
Arizona Intrastate Gross Operating Revenues Only (\$)
\$392,327
(The amount in the box above includes
\$22,797 in sales taxes
billed or collected)

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

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

THIS 13th DAY OF March (county name)
April 2021 (month) and (year)

MY COMMISSION EXPIRES August 15, 2023 (date)



Veronica G Gonzalez
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
Company name: Clear Springs Utility Company, Inc.

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

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$357,413
(The amount in the box above includes
\$20,768 in sales taxes
billed or collected)

Bj T

signature of owner/official

623-935-1100

telephone no.

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

Maricopa

(county name)

THIS

13th

DAY OF

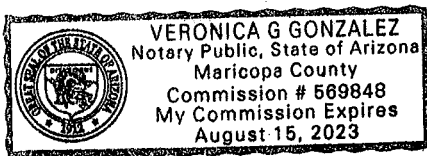
April 2021

(month) and (year)

MY COMMISSION EXPIRES

August 15, 2023

(date)



Veronica G Gonzalez
(signature of notary public)

Clear Springs Utility Company, Inc.
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/20

Full Gross-up Method for Income Tax Statement of Certification

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
Company name: Clear Springs Utility Company, Inc.

FOR THE YEAR ENDING: 12/31/20

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS INCURRED OR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

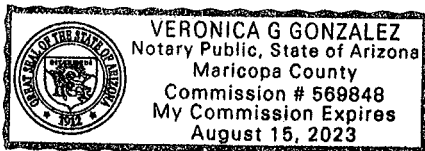
BjT
signature of owner/official
623-935-1100
telephone no.

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

(county name)

THIS 13th DAY OF April 2021
(month) and (year)

MY COMMISSION EXPIRES August 15, 2023
(date)



Veronica G. Gonzalez
(signature of notary public)