

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: WS-01689A
For the Year Ended:

RECEIVED
JUN 13 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdefuente@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:

6-25-19

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

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

5. Person to whom correspondence should be addressed concerning this report:

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

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
303	Land and Land Rights	210			210		210
304	Structures and Improvements	32,946			32,946	28,934	4,012
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	188,286			188,286	180,977	7,309
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	292,124	6,510		298,634	244,265	54,369
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders	5,820			5,820	5,294	526
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes	16,011			16,011	16,011	0
330.1	Storage Tanks	160,320			160,320	123,793	36,527
330.2	Pressure Tanks	5,634			5,634	704	4,930
331	Transmission and Distribution Mains	358,380	2,508		360,888	350,131	10,757
333	Services	129,148	1,434		130,582	111,491	19,091
334	Meters and Meter Installations	106,095	6,637		112,732	90,648	22,084
335	Hydrants	116,556			116,556	13,382	103,174
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment				0		0
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment	1,937			1,937	484	1,453
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	\$1,415,092	\$17,089	\$0	\$1,432,181	\$1,166,114	\$266,067

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.

Clear Springs Utility Company, Inc.
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/18

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	Depreciation Percentages	Depreciation Expense
301	Organization	\$1,625	\$0	\$0	\$1,625	\$1,625	0.00%	\$0
302	Franchises	0	0	0	0		0.00%	0
303	Land and Land Rights	210	0	0	210	210	0.00%	0
304	Structures and Improvements	32,946	0	0	32,946	28,565	3.33%	146
305	Collecting & Improving Reservoirs	0	0	0	0			0
306	Lake, River, Canal Intakes	0	0	0	0			0
307	Wells and Springs	188,286	0	0	188,286	179,255	3.33%	301
308	Infiltration Galleries	0	0	0	0			0
309	Supply Mains	0	0	0	0			0
310	Power Generation Equipment	0	0	0	0			0
311	Pumping Equipment	292,124	6,510	0	298,634	219,007	12.50%	9,547
320	Water Treatment Equipment	0	0	0	0			0
320.1	Water Treatment Plants	0	0	0	0			0
320.2	Solution Chemical Feeders	5,820	0	0	5,820	4,574	20.00%	249
320.3	Point-of-Use Treatment Devices	0	0	0	0			0
330	Distribution Reservoirs and Standpipes	16,011	0	0	16,011	16,011	2.22%	0
330.1	Storage Tanks	160,320	0	0	160,320		2.22%	3,559
330.2	Pressure Tanks	5,634	0	0	5,634		5.00%	282
331	Transmission and Distribution Mains	358,380	2,508	0	360,888		2.00%	4,536
333	Services	129,148	1,434	0	130,582		3.33%	4,325
334	Meters and Meter Installations	106,095	6,637	0	112,732	66,606	8.33%	3,564
335	Hydrants	116,556	0	0	116,556	9,850	2.00%	2,134
336	Backflow Prevention Devices	0	0	0	0			0
339	Other Plant and Misc. Equipment	0	0	0	0			0
340	Office Furniture and Equipment	0	0	0	0		6.67%	0
340.1	Computer & Software	0	0	0	0		20.00%	0
341	Transportation Equipment	0	0	0	0		20.00%	0
342	Stores Equipment	0	0	0	0			0
343	Tools, Shop and Garage Equipment	0	0	0	0		5.00%	0
344	Laboratory Equipment	0	0	0	0			0
345	Power Operated Equipment	0	0	0	0			0
346	Communication Equipment	1,937	0	0	1,937		10.00%	194
347	Miscellaneous Equipment	0	0	0	0			0
348	Other Tangible Plant	0	0	0	0			0
	Subtotal	\$1,415,092	\$17,089	\$0	\$1,432,181	\$525,703		\$28,835

Contribution(s) in Aid of Construction (Gross)	\$330,588
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	226,579
Amortizable Contribution(s)	<u>\$104,009</u>
Times: Proposed Amortization Rate	3.03%
Amortization of CIAC	\$2,909

Less: Amortization of CIAC	<input type="text" value="\$2,909"/>
DEPRECIATION EXPENSE	<input type="text" value="\$25,926"/>

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.

Clear Springs Utility Company, Inc.
 Annual Report
 Balance Sheet Assets
 12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$40,434	\$438,742
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		11,679	12,520
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments		16,361	
174	Miscellaneous Current and Accrued Assets		0	8,454
	Total Current and Accrued Assets		\$68,474	\$459,716
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,415,092	\$1,432,181
103	Property Held for Future Use			
105	Construction Work in Progress		7,433	220,080
108	Accumulated Depreciation (enter as negative)*		(1,137,279)	(1,166,114)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$285,246	\$486,147
	Total Assets		\$353,720	\$945,863

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.

*Note these items feed automatically from AR3 UPIS Page 3

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 (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities			
231	Accounts Payable		\$93,586	\$118,247
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		9,203	18,594
236	Accrued Taxes		852	1,270
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$103,641	\$138,111
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$221,805	\$787,218
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		76,548	59,504
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		314,590	330,588
272	Less: Amortization of Contributions		(248,569)	(251,478)
281	Accumulated Deferred Income Tax		0	4,139
	Total Deferred Credits		\$142,569	\$142,753
	Total Liabilities		\$468,015	\$1,068,082
	Capital Accounts			
201	Common Stock Issued		\$1,000	\$1,000
211	Other Paid-In Capital		1,798,521	1,839,934
215	Retained Earnings		(1,913,816)	(1,963,153)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$114,295)	(\$122,219)
	Total Liabilities and Capital		\$353,720	\$945,863

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.

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
12/31/18

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$274,805	\$244,133
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)	7,218	22,326
471	Miscellaneous Service Revenues		
474	Other Water Revenue	10,234	6,296
	Total Revenues	\$292,257	\$272,755
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	23,782	24,145
618	Chemicals	1,257	1,115
620	Materials and Supplies		
620.1	Repairs and Maintenance	8,331	10,642
620.2	Office Supplies and Expense	4,367	5,143
630	Contractual Services		
631	Contractual Services -Engineering		
632	Contractual Services - Accounting	3,785	3,130
633	Contractual Services - Legal	2,299	1,141
634	Contractual Services - Management Fees	119,044	117,022
635	Contractual Services - Water Testing	8,963	10,208
636	Contractual Services - Other	1,145	1,495
640	Rents	576	1,017
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	4,920	5,265
657	Insurance - General Liability	2,026	1,237
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate	6,413	17,313
670	Bad Debt Expense	1,153	936
675	Miscellaneous Expense	1,312	1,284
403	Depreciation Expense (From Schedule AR4)	25,926	37,033
408	Taxes Other Than Income		
408.11	Property Taxes	13,478	12,699
409	Income Taxes	1,055	
427.1	Customer Security Deposit Interest	587	548
	Total Operating Expenses	\$230,419	\$251,373
	Operating Income / (Loss)	\$61,838	\$21,382
	Other Income / (Expense)		
419	Interest and Dividend Income	\$268	\$198
421	Non-Utility Income	0	
426	Miscellaneous Non-Utility (Expense)	(3,180)	0
427	Interest (Expense)	(13,410)	(8,487)
	Total Other Income / (Expense)	(\$16,322)	(\$8,289)
	Net Income / (Loss)	\$45,516	\$13,093

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.

Clear Springs Utility Company, Inc.
 Annual Report
 Full time equivalent employees
 12/31/18

Full time equivalent employees

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

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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Clear Springs Utility Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/18

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 Improvements	System improvements	
Dollar Amt. Issued	\$154,794	\$70,400	\$618,581	
Amount Outstanding	\$126,103	\$42,534	\$618,581	
Date of Maturity	11/1/2035	8/17/2036	12/20/2038	
Interest Rate	4.46%	4.46%	5.86%	
Current Year Interest	\$7,144	\$1,980	\$4,287	
Current Year Principal	\$5,222	\$3,348	\$0	

Meter Deposit Balance at Test Year End:	\$7,962
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Meter Deposits Refunded During the Test Year:	\$691
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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.

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

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
---------------	-----

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
---------------	-----

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
---------------	-----

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	446	2	46	19	0
February	445	2	46	19	0
March	449	2	46	19	0
April	455	2	46	20	0
May	451	2	46	19	0
June	445	2	46	19	0
July	452	2	46	19	0
August	454	2	46	19	0
September	455	2	46	20	0
October	454	2	46	20	0
November	454	2	47	20	0
December	455	2	47	20	0

total 524

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?

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. Copy and paste this sheet as many times as is necessary.

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	16	0	0	0	0
February	16	0	0	0	0
March	16	0	0	0	0
April	16	0	0	0	0
May	16	0	0	0	0
June	16	0	0	0	0
July	16	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	18	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?

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. Copy and paste this sheet as many times as is necessary.

Customer and Other Information	
Name of the System:	
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	6	0	0		0
February	6	0	0		0
March	6	0	0		0
April	6	0	0		0
May	5	0	0		0
June	5	0	0		0
July	5	0	0	Well #3	0
August	5	0	0	System # 02-048	0
September	5	0	0		0
October	5	0	0		0
November	5	0	0		0
December	5	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?

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. Copy and paste this sheet as many times as is necessary.

Customer and Other Information	
Name of the System:	
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	7	0	0		0
February	7	0	0		0
March	7	0	0		0
April	7	0	0		0
May	7	0	0		0
June	7	0	0	Well #7	0
July	7	0	0	System #02-050	0
August	7	0	0		0
September	7	0	0		0
October	7	0	0		0
November	7	0	0		0
December	7	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?

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. Copy and paste this sheet as many times as is necessary.

Customer and Other Information	
Name of the System:	
ADEQ Public Water System Number:	
ADWR PCC Number:	

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	9	0	0		0
February	9	0	0		0
March	9	0	0		0
April	10	0	0		0
May	10	0	0		0
June	10	0	0	Well #9	0
July	10	0	0	System #02-051	0
August	10	0	0		0
September	10	0	0		0
October	10	0	0		0
November	10	0	0		0
December	10	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?

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. Copy and paste this sheet as many times as is necessary.

Clear Springs Utility Company, Inc.
Annual Report
Property Taxes
12/31/18

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2018 was	\$13,089
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If no property taxes paid, explain why. N/A
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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.

Clear Springs Utility Company, Inc.
Annual Report
Verification and Sworn Statement (Taxes)
12/31/18

Verification and Sworn Statement (Taxes)

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

County of (county name): Pima
Name (owner or official) title: Bonnie O'Connor, Manager
Company name: Clear Springs Utility Company, Inc.

RECEIVED
JUN 13 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/18

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.

Bonnie O'Connor
signature of owner/official

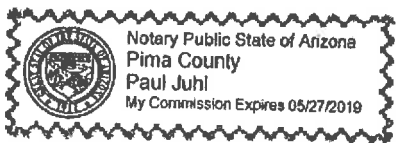
520-623-5172
telephone no.

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

THIS 30th DAY OF Pima
(county name)
April 2019
(month) and (year)

MY COMMISSION EXPIRES 5/27/17
(date)

Paul Juhl
(signature of notary public)



RECEIVED
MAY 01 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: Bonnie O'Connor, Manager
Company name: Clear Springs Utility Company, Inc. - Water

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)
\$310,186
(The amount in the box above includes
\$17,929 in sales taxes
billed or collected)

[Signature]
signature of owner/official

520-623-5172
telephone no.

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

THIS 30th DAY OF Pima
April (month) and (year) 2019

MY COMMISSION EXPIRES 5/27/17
(date)

[Signature]
(signature of notary public)

Clear Springs Utility Company, Inc.
Annual Report
Verification and Sworn Statement (Residential Revenue)
12/31/18

RECEIVED

MAY 01 2019

Verification and Sworn Statement (Residential Revenue) **ARIZONA CORP COMMISSION UTILITIES DIVISION DIRECTOR'S OFFICE**

Verification:

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

County of (county name): Pima
Name (owner or official) title: Bonnie O'Connor, Manager
Company name: Clear Springs Utility Company, Inc. - Water

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

\$259,160

(The amount in the box above includes

\$14,863 in sales taxes billed or collected)

Bonnie O'Connor
signature of owner/official

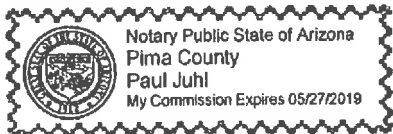
520-623-5172
telephone no.

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

Pima
(county name)

THIS 30th DAY OF April 2019
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)



Paul Juhl
(signature of notary public)

Company	Clear Springs Utility Company, Inc.	
Docket No.:	WS-01689A	
Name of the System:	CLEAR SPRINGS	
ADEQ Public Water System Number:	AZ0402008	
ADWR PCC Number:	91-000029.0000	

2018 Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	5	0
February	0	3	0
March	0	2	0
April	0	5	0
May	0	5	0
June	0	4	0
July	0	7	0
August	0	3	0
September	0	5	0
October	0	3	0
November	0	3	0
December	0	2	0
Total	0	47	0

Other (description): 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.