

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-02848A
For the Year Ended:

**RECEIVED
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5/13/2020, 01:51 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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
Starlight Water 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
--

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.
	NA

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.
	NA

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	\$2,000			\$2,000		\$2,000
302	Franchises				0		0
303	Land and Land Rights	14,000			14,000		14,000
304	Structures and Improvements	289,095			289,095	187,013	102,082
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	350,380			350,380	189,713	160,667
308	Infiltration Galleries				0		0
309	Supply Mains	2,430			2,430	146	2,284
310	Power Generation Equipment				0		0
311	Pumping Equipment	454,292	26,219		480,511	437,731	42,780
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes	503,314			503,314	226,142	277,172
330.1	Storage Tanks				0		0
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	2,124,248			2,124,248	967,064	1,157,184
333	Services	195,056			195,056	125,736	69,320
334	Meters and Meter Installations	54,302			54,302	49,031	5,271
335	Hydrants	336,350			336,350	165,038	171,312
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment	2,152			2,152	2,152	0
340.1	Computer & Software				0		0
341	Transportation Equipment	25,813			25,813	25,813	0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment	12,328			12,328	9,035	3,293
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant	261			261	137	124
	Totals	\$4,366,021	\$26,219	\$0	\$4,392,240	\$2,384,751	\$2,007,489

Starlight Water Company, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/19

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	\$2,000	\$0	\$0	\$2,000	\$2,000	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0		0
303	Land and Land Rights	14,000	0	0	14,000	14,000	0	0.00%	0
304	Structures and Improvements	289,095	0	0	289,095		289,095	3.33%	9,627
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	350,380	0	0	350,380		350,380	3.33%	11,668
308	Infiltration Galleries	0	0	0	0		0		0
309	Supply Mains	2,430	0	0	2,430		2,430	2.00%	49
310	Power Generation Equipment	0	0	0	0		0		0
311	Pumping Equipment	454,292	26,219	0	480,511	393,655	86,856	12.50%	8,382
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	0	0	0	0		0		0
320.3	Point-of-Use Treatment Devices	0	0	0	0		0		0
330	Distribution Reservoirs and Standpipes	503,314	0	0	503,314		503,314	2.22%	11,174
330.1	Storage Tanks	0	0	0	0		0		0
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	2,124,248	0	0	2,124,248		2,124,248	2.00%	42,485
333	Services	195,056	0	0	195,056		195,056	3.33%	6,495
334	Meters and Meter Installations	54,302	0	0	54,302	36,100	18,202	8.33%	1,096
335	Hydrants	336,350	0	0	336,350		336,350	2.00%	6,727
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	2,152	0	0	2,152	2,152	0	6.67%	0
340.1	Computer & Software	0	0	0	0		0	20.00%	0
341	Transportation Equipment	25,813	0	0	25,813	25,813	0	20.00%	0
342	Stores Equipment	0	0	0	0		0		0
343	Tools, Shop and Garage Equipment	12,328	0	0	12,328		12,328	5.00%	516
344	Laboratory Equipment	0	0	0	0		0		0
345	Power Operated Equipment	0	0	0	0		0		0
346	Communication Equipment	0	0	0	0		0		0
347	Miscellaneous Equipment	0	0	0	0		0		0
348	Other Tangible Plant	261	0	0	261		261	2.50%	7
	Subtotal	\$4,366,021	\$26,219	\$0	\$4,392,240	\$473,720	\$3,918,520		\$98,225

Contribution(s) in Aid of Construction (Gross)	\$841,278
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$841,278
Times: Proposed Amortization Rate	2.50%
Amortization of CIAC	\$21,032

Less: Amortization of CIAC	\$21,032
DEPRECIATION EXPENSE	\$77,193

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$110,165	\$124,998
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		(1,761)	(5,360)
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies		410	410
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$108,814	\$120,048
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$4,366,021	\$4,392,240
103	Property Held for Future Use		7,687	7,687
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(2,286,527)	(2,384,751)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$2,087,181	\$2,015,176
	Total Assets		\$2,195,995	\$2,135,224

*Note these items feed automatically from AR3 UPIS Page 4

Starlight Water Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$9,305	\$5,340
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		1	1
236	Accrued Taxes		1,880	1,800
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		95	
	Total Current Liabilities		\$11,281	\$7,141
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		1,831,998	1,811,061
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		841,278	841,278
272	Less: Amortization of Contributions		(634,380)	(655,411)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$2,038,896	\$1,996,928
	Total Liabilites		\$2,050,177	\$2,004,069
	Capital Accounts			
201	Common Stock Issued		\$612,625	\$612,625
211	Other Paid-In Capital			
215	Retained Earnings		(466,807)	(481,470)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$145,818	\$131,155
	Total Liabilities and Capital		\$2,195,995	\$2,135,224

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

Starlight Water Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$335,955	\$345,257
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	4,455	5,493
	Total Revenues	\$340,410	\$350,750
	Operating Expenses		
601	Salaries and Wages	\$116,470	\$113,899
604	Employee Pensions and Benefits		5,414
610	Purchased Water		
615	Purchased Power	22,879	22,088
618	Chemicals		
620	Materials and Supplies	411	(2,439)
620.1	Repairs and Maintenance	25,743	17,293
620.2	Office Supplies and Expense	7,642	8,012
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	6,012	4,653
633	Contractual Services - Legal	10,450	7,396
634	Contractual Services - Management Fees	29,560	24,302
635	Contractual Services - Water Testing	2,391	2,761
636	Contractual Services - Other	26,108	10,582
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	6,820	10,858
657	Insurance - General Liability	8,795	7,176
657.1	Insurance - Health and Life	9,512	19,390
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	1,344	80
403	Depreciation Expense (From Schedule AR4)	77,193	75,973
408	Taxes Other Than Income	9,347	10,166
408.11	Property Taxes	8,388	8,302
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	\$369,065	\$345,906
	Operating Income / (Loss)	(\$28,655)	\$4,844
	Other Income / (Expense)		
419	Interest and Dividend Income	\$203	\$0
421	Non-Utility Income	13,790	
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	Total Other Income / (Expense)	\$13,993	\$0
	Net Income / (Loss)	(\$14,662)	\$4,844

Starlight Water Company, Inc.
 Annual Report
 Full time equivalent employees
 12/31/19

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager				0.0
Engineering Staff			difficult to	0.0
System Operator(s)	2,080.0		determine	2,080.0
Meter reader			without	0.0
Customer Service	1,040.0		significant	1,040.0
Accounting			analysis	0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other	1,040.0			1,040.0
Total	4,160.0	0.0	0.0	4,160.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	No loans			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amt. Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:	\$20,304
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Meter Deposits Refunded During the Test Year:	\$3,636
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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)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	NA
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STRUCTURES:	Four well buildings and fencing
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OTHER:	NA
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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	46
Method used:	(a)

Customer and Other Information	
Name of the System:	STARLIGHT WATER COMPANY
ADEQ Public Water System Number:	AZ0403063
ADWR PCC Number:	91-000102.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	698	0	4	0	0
February	698	0	4	0	0
March	698	0	4	0	0
April	698	0	4	0	0
May	695	0	4	0	0
June	698	0	4	0	0
July	699	0	4	0	0
August	702	0	4	0	1
September	705	0	4	0	1
October	703	0	4	0	0
November	704	0	4	0	0
December	707	0	4	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.

Starlight Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	STARLIGHT WATER COMPANY
ADEQ Public Water System Number:	AZ0403063
ADWR PCC Number:	91-000102.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	1	0
March	0	1	0
April	0	3	0
May	0	3	0
June	0	1	0
July	0	1	0
August	0	0	0
September	0	3	0
October	0	3	0
November	0	0	0
December	0	0	0
Total	0	16	0

Other (description):

NA

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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2019 was	
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\$8,345

If no property taxes paid, explain why.

NA

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): Pima
Name (owner or official) title: Paul Juhl, Manager
Company name: Starlight Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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.

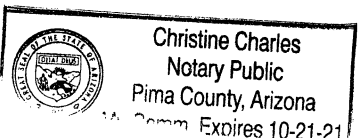
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UTILITIES DIVISION**

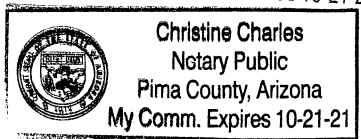
[Signature]
signature of owner/official
(520) 623-5172
telephone no.

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

THIS 29 DAY OF April, 2020
(month) and (year)

MY COMMISSION EXPIRES 10-21-2021
(date)





[Signature]
(signature of notary public)

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: Paul Juhl, Manager
Company name: Starlight Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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:

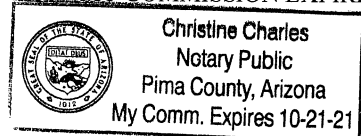
Arizona Intrastate Gross Operating Revenues Only (\$)
\$363,995
(The amount in the box above includes
\$23,585 in sales taxes
billed or collected)

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5/01/2020, 04:41 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
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
THIS 29 DAY OF April, 2020
(month) and (year)

MY COMMISSION EXPIRES

Christine Charles
Notary Public
Pima County, Arizona
My Comm. Expires 10-21-21

10-21-2021
(date)
[Signature]
(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): Pima
Name (owner or official) title: Paul Juhl, Manager
Company name: Starlight Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)
\$360,878
(The amount in the box above includes
\$23,382 in sales taxes
billed or collected)

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UTILITIES DIVISION

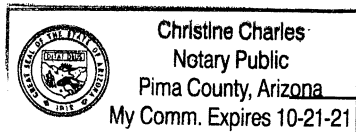
[Signature]
signature of owner/official

(520) 623-5172
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima County
(county name)

THIS 29 DAY OF April, 2020
(month) and (year)

MY COMMISSION EXPIRES 10-21-2021
(date)


Christine Charles
Notary Public
Pima County, Arizona
My Comm. Expires 10-21-21

[Signature]
(signature of notary public)