

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

SW-20445A
Global Water – Palo Verde Utilities Company, Inc.
c/o Global Water Resources, Inc.
21410 N. 19th Ave. Ste 201
Phoenix, AZ 85027

RECEIVED
'APR 16 2014
ACC UTILITIES DIRECTOR

ANNUAL REPORT
Sewer

FOR YEAR ENDING

12	31	2013
-----------	-----------	-------------

FOR COMMISSION USE

ANN05	13
--------------	-----------

4-22-14

COMPANY INFORMATION

Company Name (Business Name) Global Water – Palo Verde Utilities Company, Inc.

Mailing Address 21410 N 19th Ave. Ste. 201

(Street)

Phoenix

AZ

85027

(City)

(State)

(Zip)

623-580-9600

623-580-9659

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address ron.fleming@gwresources.com

Local Office Mailing Address Same as above

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Regulatory Contact: Joanne Ellsworth

Management Contact: Ron Fleming President

(Name)

(Title)

21410 N. 19th Ave. Ste. 201

Phoenix

AZ

85027

(Street)

(City)

(State)

(Zip)

623-580-9600

623-580-9659

602-550-2717

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address ron.fleming@gwresources.com

On Site Manager: Jon Corwin, General Manager

(Name)

22590 North Powers Parkway

Maricopa

AZ

85238

(Street)

(City)

(State)

(Zip)

520-233-2906

520-568-6367

602-885-2791

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address jon.corwin@gwresources.com

Statutory Agent: Cindy M. Bowers
(Name)

21410 N. 19th Avenue, Suite 201 Phoenix AZ 85027
(Street) (City) (State) (Zip)

602-274-7611 602-234-0341
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Timothy J. Sabo, Roshka DeWulf & Patten, PLC
(Name)

400 East Van Buren, Ste. 800 Phoenix AZ 85004
(Street) (City) (State) (Zip)

602-256-6100 602-256-6800
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address tsabo@rdp-law.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) | |

COUNTIES SERVED

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

- | | | |
|--|--|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
303	Land and Land Rights	1,048	0	1,048
351	Organization	0	0	0
352	Franchises	0	0	0
353	Land and Land Rights	186,343	0	186,343
354	Structures and Improvements	23,060,220	5,652,166	17,408,054
355	Power Generation Equipment	374,491	140,761	233,730
360	Collection Sewers – Force	3,873,560	833,523	3,040,037
361	Collection Sewers – Gravity	48,659,355	6,955,105	41,704,250
362	Special Collecting Structures	0	0	0
363	Services to Customers	5,440,953	724,747	4,716,206
364	Flow Measuring Devices	26,984	19,427	7,557
365	Flow Measuring Installations	0	0	0
370	Receiving Wells	1,921,877	432,861	1,489,016
371	Pumping Equipment	4,361,732	3,635,373	726,359
374	Reuse Distribution Reservoirs	611,232	11,340	599,892
375	Reuse Transmission and Distribution Equipment	11,072,124	2,017,401	9,054,723
380	Treatment and Disposal Equip.	6,071,206	2,495,877	3,575,329
381	Plant Sewers	79,284	42,271	37,013
382	Outfall Sewer Lines	353,645	135,436	218,209
389	Other Plant and Misc. Equipment	2,274,955	853,789	1,421,166
390	Office Furniture and Equipment	85,717	69,788	15,929

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

391	Transportation Equipment	437,297	189,755	247,542
392	Stores Equipment	2,916	58	2,858
393	Tools, Shop and Garage Equip.	206,379	51,357	155,022
394	Laboratory Equipment	21,046	13,207	7,839
395	Power Operated Equipment	41,148	7,161	33,987
396	Communication Equipment	72,371	32,871	39,500
397	Miscellaneous Equipment	431,083	212,128	218,955
398	Other Tangible Plant	1,721,198	1,019,734	701,464
	TOTALS	\$111,388,164	25,546,136	85,842,028

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



CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
303	Land and Land Rights	1,048	0%	\$0
351	Organization	0	0%	0
352	Franchises	0	0%	0
353	Land and Land Rights	186,343	0%	0
354	Structures and Improvements	23,060,220	3.33%	758,768
355	Power Generation Equipment	374,491	5%	18,608
360	Collection Sewers – Force	3,873,560	2%	74,983
361	Collection Sewers – Gravity	48,659,355	2%	969,189
362	Special Collecting Structures	0	0%	0
363	Services to Customers	5,440,953	2%	106,431
364	Flow Measuring Devices	26,984	10%	2,450
365	Flow Measuring Installations	0	10%	0
370	Receiving Wells	1,921,877	3.33%	63,890
371	Pumping Equipment	4,361,732	12.50%	464,137
374	Reuse Distribution Reservoirs	611,232	2.50%	8,375
375	Reuse Transmission and Distribution System	11,072,124	2.50%	275,805
380	Treatment and Disposal Equip.	6,071,206	5%	296,959
381	Plant Sewers	79,284	5%	4,052
382	Outfall Sewer Lines	353,645	3.33%	11,535
389	Other Plant and Misc. Equipment	2,274,955	6.67%	157,827
390	Office Furniture and Equipment	85,717	6.67%	4,155

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

391	Transportation Equipment	437,297	20%	15,090
392	Stores Equipment	2,916	4%	58
393	Tools, Shop and Garage Equip.	206,379	5%	10,444
394	Laboratory Equipment	21,046	10%	2,093
395	Power Operated Equipment	41,148	5%	2,057
396	Communication Equipment	72,371	10%	7,548
397	Miscellaneous Equipment	431,083	10%	44,706
398	Other Tangible Plant	1,721,198	10%	180,451
	TOTALS	\$111,388,164		\$3,479,611

This amount goes on the Comparative Statement of Income and Expense Acct. 403



BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash and cash equivalents	\$103,515	\$103,578
132	Special Deposits	139,539	140,008
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	762,452	703,468
142	Other Accounts Receivable	0	110,201
143	Accumulated Provision for Uncollectible Accounts	(106,771)	(57,077)
151	Plant Material and Supplies	32,530	13,510
162	Prepayments	44,361	34,725
173	Accrued Revenue	\$721,242	\$841,271
	TOTAL CURRENT AND ACCRUED ASSETS	\$1,696,868	\$1,889,684
	FIXED ASSETS		
101	Utility Plant in Service	\$109,466,451	\$111,388,164
103	Property Held for Future Use	0	0
105	Construction Work in Progress	17,083,853	16,654,280
108	Accumulated Depreciation – Utility Plant	(22,252,373)	(25,546,136)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$104,297,931	\$102,496,308
	OTHER ASSETS		
114	Utility Plant Acquisition Adjustments	\$0	\$0
181	Unamortized Debt Discount & Expense	0	0
190	Accumulated Deferred Income Taxes	0	0
	TOTAL OTHER ASSETS	\$0	\$0
	TOTAL ASSETS	\$105,994,799	\$104,386,096

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

BALANCE SHEET (CONTINUED)

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts payable	\$759,250	\$178,976
232	Notes Payable (Current Portion)		
235	Customer Deposits	669,926	997,918
236	Accrued Taxes	295,057	368,663
237.2	Accrued Interest on other Liabilities		139,127
241	Miscellaneous Current and Accrued Liabilities	238,513	352,921
253	Other Deferred Credits	98,117	130,502
	TOTAL CURRENT LIABILITIES	\$2,060,863	\$2,168,107
	LONG-TERM DEBT (Over 12 Months)		
224	Other Long-Term Debt	0	\$143,972
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	27,696,449	28,415,978
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	30,534,905	30,859,451
272	Less: Amortization of Contributions	(2,135,469)	(2,633,356)
281	Accumulated Deferred Income Taxes	0	0
	TOTAL DEFERRED CREDITS	\$56,095,885	\$56,642,073
	TOTAL LIABILITIES	\$58,156,748	\$58,954,152
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$10	\$10
211	Paid in Capital in Excess of Par Value	46,524,355	40,056,551
215	Retained Earnings	1,268,687	5,375,383
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$47,793,051	\$45,431,944
	TOTAL LIABILITIES AND CAPITAL	\$105,949,799	\$104,386,096

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$12,655,866	\$13,182,317
522	Measured Revenues	307,342	328,082
534	Rents from Wastewater Property	0	\$54,192
536	Other Wastewater Revenues	280,876	319,024
	TOTAL REVENUES	\$13,244,084	\$13,883,615
	OPERATING EXPENSES		
701	Salaries and Wages	\$1,553,869	\$2,062,753
704	Employee Pensions and Benefits	11,503	5,810
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	250,501	174,909
715	Purchased Power	618,050	611,106
716	Fuel for Power Production	91	2,659
718	Chemicals	439,483	298,660
720	Materials and Supplies	176,291	157,417
721	Office Expense	91,238	95,345
731	Contractual Services – Eng.	-	3,816
732	Contractual Services – Acctg.	207,815	185,702
733	Contractual Services - Legal	83,493	156,173
734	Contractual Services – Mgt Fees	677,467	704,628
735	Contractual Services – Testing	56,375	52,389
736	Contractual Services – Other	24,342	60,210
741	Rental of Building/Real Property	107,438	116,756
742	Rental of Equipment	21,390	15,892
750	Transportation Expense	110,132	84,434
757	Insurance General Liability	74,880	108,217
758	Insurance Workers Comp	14,280	13,330
759	Insurance Other	150,288	220,998
760	Advertising Expense	2,700	3,934
766	Regulatory Comm Exp (Amort of Rate Case)	53,333	207,587
767	Regulatory Comm Exp - Other	2,029	183
770	Bad Debt Expense	96,642	59,178
775	Miscellaneous Expense	478,717	528,862
403	Depreciation Expense	3,462,242	3,479,611
403	Depreciation Expense – CIAC Amortization	(413,909)	(489,163)
408	Taxes Other Than Income	108,832	138,812
408.11	Property Taxes	593,282	782,606
409	Income Taxes	8,157,739	0
	TOTAL OPERATING EXPENSES	\$17,210,533	\$9,842,814
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$586	\$532
421	Non-Utility Income	0	0

426	Miscellaneous Non-Utility Expenses	0	65,412
427	Interest Expense	0	0
	TOTAL OTHER INCOME/EXPENSE	\$586	\$65,944
	NET INCOME/(LOSS)	(\$3,965,863)	\$4,106,745

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

COMPANY NAME: Global Water - Palo Verde Utilities Company

Name of System: Palo Verde

Wastewater Inventory Number (if applicable):

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, etc.)	1 x 3.0 MGD SBR Tertiary Treatment Facility 1 x 1.0 MGD SBR Tertiary Treatment Facility (non-operational)
DESIGN CAPACITY OF PLANT (Gallons Per Day)	Permitted Capacity = 9.0 MGD (per APP 105228)

LIFT STATION FACILITIES

PUMPS

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
McDavid LS	2	70	650	15,000
Cobblestone LS	2	18	1200	8,900
Tortosa LS	2	5	300	10,300
Maricopa Groves LS	2	40	750	24,600
Alterra LS	2	15	690	13,200
Rancho El Dorado LS	1	15	1100	23,095
Rancho El Dorado LS	2	20	1000	
Palo Verde WRF Influent LS	1	100	5000	328,000
Palo Verde WRF Influent LS	1	30	1800	

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

COMPANY NAME: Global Water - Palo Verde Utilities Company

Name of System: Palo Verde

Wastewater Inventory Number (if applicable):

FORCE MAINS

Size (Inches)	Material	Length (Feet)
4	DIP	42
6	DIP	38
8	DIP	179
10	DIP	65
12	DIP	741
16	DIP	16
18	DIP	17
24	DIP	942
30	DIP	50
6	PVC	1,961
8	PVC	31,637
10	PVC	6,329
12	PVC	1,520
14	PVC	7,991
24	PVC	5,584

ABS = Acrylonitrile-Butadiene-Styrene
DIP =

HDPE = High Density Polyethylene
PVC =

UNK = Unknown
VCP = Vitrified Clay Pipe

-99 = Unknown

COMPANY NAME: Global Water - Palo Verde Utilities Company

Name of System: Palo Verde

Wastewater Inventory Number (if applicable):

RECYCLED MAINS

Size (Inches)	Material	Length (Feet)
24	CON301	3,888
UNK	DIP	112
12	DIP	131
16	DIP	784
24	DIP	1,536
10	DIP350	36
24	DIP350	212
UNK	PVC	616
8	PVC	10,255
10	PVC	7,521
12	PVC	20,805
16	PVC	5,372
18	PVC	16,122
24	PVC	23,857
12	PVCCL1	26
UNK	PVCCL2	1,222
8	PVCCL2	120
12	PVCCL2	12,896
16	PVCCL2	500
18	PVCCL2	21,517
24	PVCCL2	21,316

CON301 = AWWA C301 PVC = Polyvinyl Chloride -99 = Unknown
 DIP = Ductile Iron Pipe UNK = Unknown

MANHOLES

Type	Quantity
CONV	3,435
INA	9
LOCK	720
SEA	6
WT	33

CONV = Conventional SEA = Sealed
 INA = Inaccessible WT = Water Tight

CLEANOUTS

Quantity
239

Note: If you are filing for more than one system, please provide separate sheets for each system. 15

COMPANY NAME: Global Water - Palo Verde Utilities Company

Name of System: Palo Verde

Wastewater Inventory Number (if applicable):

COLLECTION MAINS

SERVICES

Size (in Inches)	Material	Length (in Feet)
6		98
24		15
48		19
8	ABS	27
6	DIP	160
8	DIP	2,963
10	DIP	264
12	DIP	1,148
18	DIP	155
24	DIP	641
30	DIP	1,764
12	HDPE	174
15	HDPE	225
18	HDPE	2,468
24	HDPE	16,308
27	HDPE	1,678
30	HDPE	17,115
36	HDPE	2,378
42	HDPE	10,553
48	HDPE	5,825
4	PVC	432
6	PVC	1,920
8	PVC	753,787
10	PVC	47,959
12	PVC	66,271
15	PVC	17,413
18	PVC	8,961
21	PVC	547
24	PVC	39,505
30	PVC	9,244
36	PVC	28,738
42	PVC	228
48	PVC	4,515

Size (in Inches)	Material	Quantity
-99	UNK	3
4	UNK	21,675
6	UNK	11

ABS = Acrylonitrile-Butadiene-Styrene
DIP =

HDPE = High Density Polyethylene
PVC =

UNK = Unknown
VCP = Vitrified Clay Pipe

-99 = Unknown

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

COMPANY NAME: Global Water - Palo Verde Utilities Company

Name of System: Palo Verde

Wastewater Inventory Number (if applicable):

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY
PER WASTEWATER SYSTEM**

SOLIDS PROCESSING AND HANDLING FACILITIES	2 x 1.5m Filter Belt Press 2 x Conveyor System for Biosolids 4 x 1/4 inch Influent Trash Removal Auger 2 x Grit Classifier 2 x Conveyor for Grit/Trash
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	2 x Low Pressure High Intensity UV
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	2 x 1.0 MGD Sand Filters (Gravity, traveling bridge) 2 x 4.0 MGD Disc Filters
STRUCTURES (Buildings, Fences, Etc.)	2 x Office/Lab/Storage = 1500 sq ft 2 x SBR Blower Building = 1400 sq ft 2 x Headworks Building = 2800 sq ft 2 x Blower/Solids Handling = 2400 sq ft 2 x Masonry Walls (Filtration & Odor Control) = 600 sq ft Masonry Brick Walls at Cobblestone Lift Station, Alterra Lift Station, Groves Lift Station, RED Lift Station and Tortosa Lift Station Chain Link Fence: Lagoon = 2450 ft, 2 x SBR = 800 ft McDavid Lift Station Chain Link Fence
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Odor Scrubbers: 2 x Lift Station; 4 x SBR Systems 2 x Polymer Injection System 2 x 1500 kW D/G 2 x 350kVAD/G 2 x 80kVAD/G 2 x 60kWD/G 2 x HACH Portable Water Test Kit (DR2000) 5 x 1/2 Ton Pick-up Truck 2 x Vac Truck 1 x Roll-Off Truck 5 x Roll-Off Dumpsters 1 x Roll-Off Flatbed

Note: If you are filing for more than one system, please provide separate sheets for each system. ⁷

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

Name of System: Palo Verde

Wastewater Inventory Number (if applicable):

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	16,419	70,875,000	2,626,000
February	16,502	65,227,000	2,741,000
March	16,588	74,025,000	2,760,000
April	16,642	68,424,000	2,699,000
May	16,711	67,241,000	2,460,000
June	16,788	61,279,000	2,212,000
July	16,822	64,534,000	2,587,000
August	16,915	65,931,000	2,364,000
September	16,938	65,518,000	2,507,000
October	16,986	68,804,000	2,522,000
November	17,036	70,974,000	2,688,000
December	17,038	74,242,000	2,705,000

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE
PER WASTEWATER SYSTEM**

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse AZPDES Discharge
Groundwater Permit Number	
ADEQ Aquifer Protection Permit Number	APP 105228 APP 105668 – Campus 2 APP 105922
ADEQ Reuse Permit Number	R106345
EPA NPDES Permit Number	AZ0025071

COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

Name of System: _____ **Wastewater Inventory Number (if applicable):** _____

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2- 609.B	Termination with Notice R14-2- 609.C	OTHER
JANUARY	0	78	
FEBRUARY	0	88	
MARCH	0	72	
APRIL	0	119	
MAY	0	93	
JUNE	0	86	
JULY	0	114	
AUGUST	0	61	
SEPTEMBER	0	77	
OCTOBER	0	77	
NOVEMBER	0	45	
DECEMBER	0	86	
TOTALS →	0	996	

OTHER (description):

**COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.
YEAR ENDING 12/31/2013**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	\$ 4,111,216
Estimated or Actual Federal Tax Liability	\$ 1,583,615

State Taxable Income Reported	\$ 4,111,216
Estimated or Actual State Tax Liability	\$ 200,790

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	\$ 0
Amount of Gross-Up Tax Collected	\$ 0
Total Grossed-Up Contributions/Advances	\$ 0

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

April 15, 2014

DATE

Ron Fleming

PRINTED NAME

President

TITLE

**COMPANY NAME: GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.
YEAR ENDING 12/31/2013**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2013 was: **\$1,056,431.58**

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**

RECEIVED
APR 16 2014
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA
I, THE UNDERSIGNED RON FLEMING, PRESIDENT
OF THE GLOBAL WATER – PALO VERDE UTILITIES COMPANY, 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	2013

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

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



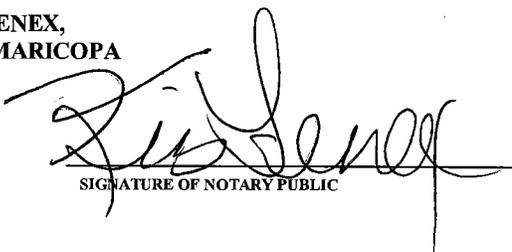
SIGNATURE OF OWNER OR OFFICIAL

623-580-9600

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME, KRIS FENEX,
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2014.**


**KRIS FENEX
Notary Public, State of Arizona
Maricopa County
My Commission Expires
January 09, 2017**



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES _____

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 16 2014
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA
I, THE UNDERSIGNED RON FLEMING, PRESIDENT
OF THE GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2013

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

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 13,915,875

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 30,883
IN SALES TAXES BILLED, OR COLLECTED)**

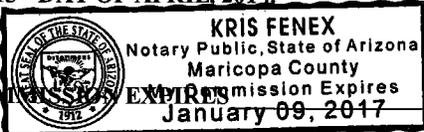
****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

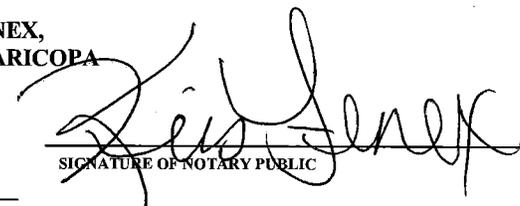


SIGNATURE OF OWNER OR OFFICIAL
623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME, KRIS FENEX,
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2014.

MY COMMISSION EXPIRES

KRIS FENEX
Notary Public, State of Arizona
Maricopa County
Commission Expires
January 09, 2017



SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED
APR 16 2014
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA COUNTY OF MARICOPA
I, THE UNDERSIGNED RON FLEMING, PRESIDENT
OF THE GLOBAL WATER – PALO VERDE UTILITIES COMPANY, INC.

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

FOR THE YEAR ENDING	MONTH	DAY	YEAR
	12	31	2013

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

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2013 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$12,623,218
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$0 _____
IN SALES TAXES BILLED, OR COLLECTED

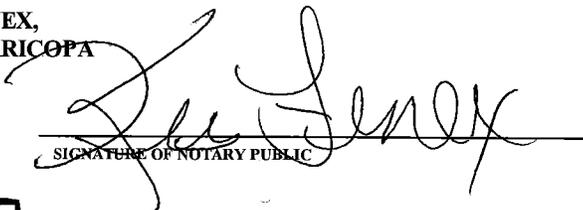
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



SIGNATURE OF OWNER OR OFFICIAL
623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME, KRIS FENEX,
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA
THIS 15th DAY OF APRIL, 2014.



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

 KRIS FENEX Notary Public, State of Arizona Maricopa County My Commission Expires January 09, 2017
