

ANNUAL REPORT

Of

Company Name: Clearwater Utilities Company, Inc.
20441 W. Cheyenne Rd.

Mailing Address: Buckeye AZ
85326

Docket No.: W-01752A
For the Year Ended: 12/31/17

RECEIVED
MAY 02 2018
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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: Original Filing
Application Date: 5/2/2018

5-2-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Clearwater Utilities Company, Inc.
A Class A Utility

1. For the Calendar Year Ended: 12/31/17

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	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	2,814	0	0	2,814	0	2,814
304	Structures and Improvements	59,057	0	0	59,057	17,441	41,616
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	29,109	0	0	29,109	13,351	15,758
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	108,318	1,985	0	110,303	104,871	5,432
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	0	0	0	0	0	0
330.1	Storage Tanks	327,418	0	0	327,418	130,989	196,429
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	60,246	0	0	60,246	11,634	48,612
333	Services	64,609	0	0	64,609	31,487	33,122
334	Meters and Meter Installations	327,858	37,233	0	365,091	322,209	42,882
335	Hydrants	2,583	2,541	0	5,124	1,465	3,659
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	39,701	159	0	39,860	39,701	159
340.1	Computer & Software	17,591	0	0	17,591	17,591	0
341	Transportation Equipment	64,005	0	0	64,005	48,514	15,491
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	9,776	0	0	9,776	5,438	4,338
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	20,808	0	0	20,808	8,470	12,338
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	896	0	0	896	896	0
	Totals	\$1,134,789	\$41,918	\$0	\$1,176,707	\$754,057	\$422,650

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.

Clearwater Utilities Company, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/17

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	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	2,814	0	0	2,814	2,814	0.00%	0
304	Structures and Improvements	59,057	0	0	59,057	10,687	4.60%	2,225
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	29,109	0	0	29,109	0	3.33%	969
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0.00%	0
311	Pumping Equipment	108,318	1,985	0	110,303	103,685	21.08%	1,186
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	327,418	0	0	327,418	69,039	2.52%	6,511
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	60,246	0	0	60,246	0	2.13%	1,283
333	Services	64,609	0	0	64,609	27,926	4.95%	1,816
334	Meters and Meter Installations	327,858	37,233	0	365,091	170,587	13.65%	24,009
335	Hydrants	2,583	2,541	0	5,124	0	2.00%	77
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	39,701	159	0	39,860	39,701	0.00%	0
340.1	Computer & Software	17,591	0	0	17,591	17,591	57.50%	0
341	Transportation Equipment	64,005	0	0	64,005	32,957	20.05%	6,225
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	9,776	0	0	9,776	975	5.27%	464
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	20,808	0	0	20,808	0	5.00%	1,040
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	896	0	0	896	896	0.00%	0
	Subtotal	\$1,134,789	\$41,918	\$0	\$1,176,707	\$476,858		\$45,805

Contribution(s) in Aid of Construction (Gross)	\$53,000
Less: Non Amortizable Contribution(s)	36,083
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$16,917
Times: Proposed Amortization Rate	6.55%
Amortization of CIAC	\$1,107
Less: Amortization of CIAC	\$1,107
DEPRECIATION EXPENSE	\$44,698

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.

Clearwater Utilities Company, Inc.
 Annual Report
 Balance Sheet Assets
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		\$147,540	\$124,810
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		20,767	30,353
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	2,894
174	Miscellaneous Current and Accrued Assets		0	4,943
	Total Current and Accrued Assets		\$168,307	\$163,000
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,134,789	\$1,176,707
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(708,252)	(754,057)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$426,537	\$422,650
	Total Assets		\$594,844	\$585,650

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

Clearwater Utilities Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable		\$15,234	\$13,182
232	Notes Payable (Current Portion)		7,200	7,200
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		72,441	78,332
236	Accrued Taxes		12,859	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		1,658	2,382
	Total Current Liabilities		\$109,392	\$101,096
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$13,301	\$7,733
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		61,080	74,477
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		53,000	53,000
272	Less: Amortization of Contributions		(16,165)	(17,272)
281	Accumulated Deferred Income Tax		45,214	45,595
	Total Deferred Credits		\$143,129	\$155,800
	Total Liabilities		\$265,822	\$264,629
	Capital Accounts			
201	Common Stock Issued		\$15,000	\$15,000
211	Other Paid-In Capital		190,521	190,521
215	Retained Earnings		123,501	115,500
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$329,022	\$321,021
	Total Liabilities and Capital		\$594,844	\$585,650

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!

Clearwater Utilities Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
461	Metered Water Revenue	\$466,919	\$423,461
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	124,819	125,980
	Total Revenues	\$591,738	\$549,441
	Operating Expenses		
601	Salaries and Wages	\$247,810	\$230,228
604	Employee Pensions and Benefits	0	0
610	Purchased Water	12,406	13,073
615	Purchased Power	42,437	41,662
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	12,801	13,932
620.2	Office Supplies and Expense	29,964	28,982
630	Contractual Services	0	6,895
631	Contractual Services -Engineering	22,485	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	8,021	1,570
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	23,400	21,450
642	Rental of Equipment	0	0
650	Transportation Expenses	9,893	10,204
657	Insurance - General Liability	14,564	10,141
657.1	Insurance - Health and Life	26,154	26,692
665	Regulatory Commission Expense - Rate	1,464	45
670	Bad Debt Expense	(201)	0
675	Miscellaneous Expense	13,131	7,603
403	Depreciation Expense (From Schedule AR4)	44,698	47,138
408	Taxes Other Than Income	13,590	18,210
408.11	Property Taxes	26,707	26,235
409	Income Taxes	7,806	10,262
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$557,130	\$514,322
	Operating Income / (Loss)	\$34,608	\$35,119
	Other Income / (Expense)		
419	Interest and Dividend Income	\$8	\$0
421	Non-Utility Income	0	8,140
426	Miscellaneous Non-Utility (Expense)	(381)	0
427	Interest (Expense)	(1,056)	(1,096)
	Total Other Income / (Expense)	(\$1,429)	\$7,044
	Net Income / (Loss)	\$33,179	\$42,163

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.

Clearwater Utilities Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/17

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	3/24/2015	1/0/1900	1/0/1900	1/0/1900
Source of Loan	Fifth Third Bank	0	0	0
ACC Decision No.	0	0	0	0
Reason for Loan	Vehicle	0	0	0
Dollar Amt. Issued	\$31,047	\$0	\$0	\$0
Amount Outstanding	\$14,933	\$0	\$0	\$0
Date of Maturity	4/8/2020	1/0/1900	1/0/1900	1/0/1900
Interest Rate	1.89%	0.00%	0.00%	0.00%
Current Year Interest	\$439	\$0	\$0	\$0
Current Year Principal	\$5,568	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$74,477
---	----------

Meter Deposits Refunded During the Test Year:	\$4,758
---	---------

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 Use Data Sheet							
Name of the System:		Clearwater Utilities Co, Inc					
ADEQ Public Water System Number:		07-019					
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴	Purchased Power Expense ⁵	Purchased Power (kWh) ⁶
January	850	6,195	5,775	1,126	1	\$1,959	15,873
February	853	8,252	7,467	1,464	0	1,856	15,223
March	854	9,981	8,719	1,897	155	2,483	21,658
April	858	12,271	10,908	2,296	305	2,994	26,366
May	858	14,335	13,270	2,187	518	4,130	39,497
June	862	20,692	19,316	3,141	1,036	5,111	51,312
July	860	15,692	13,935	1,757	1	3,991	36,902
August	861	16,093	14,812	2,434	0	4,170	37,280
September	865	14,185	13,217	2,096	602	5,372	52,685
October	865	14,759	13,418	1,887	0	3,659	31,501
November	873	14,586	12,717	2,439	152	3,421	28,904
December	869	9,765	7,902	2,098	201	3,291	26,935
Totals		156,806	141,456	24,822	2,971	\$42,437	384,136

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

Does the system have chlorination treatment?

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

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

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 FIRE USAGE REPORTED TO US MONTHLY AND USAGE FOR VALVES AND FLUSHING LINES

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 Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.
- 2 Gallons pumped - Total gallons from pumped sources.
- 3 Gallons purchased - Total gallons purchased from other sources.
- 4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

Clearwater Utilities Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	07-019
-------------------	--------

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	11	0
February	0	8	0
March	0	10	0
April	0	10	0
May	0	18	0
June	0	3	0
July	0	11	0
August	0	8	0
September	0	7	0
October	0	5	0
November	0	8	0
December	0	8	0
Total	0	107	0

Other (description):

N/A

<p>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.</p>
--

Clearwater Utilities Company, Inc.
Annual Report
Property Taxes
12/31/17

Property Taxes	
-----------------------	--

Amount of actual property taxes paid during Calendar Year 2017 was	\$26,707
--	----------

If no property taxes paid, explain why. 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.

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: JJ Guerin/President
Company name: Clearwater Utilities Company, Inc.

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

FOR THE YEAR ENDING: 12/31/17

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.

JJ Guerin
signature of owner/official

623-386-4096
telephone no.

RECEIVED

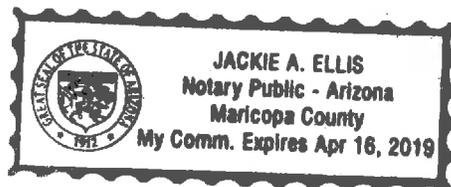
MAY 07 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

THIS 1st DAY OF May 2018
(month) and (year)

MY COMMISSION EXPIRES 4-16-19
(date)



Jackie A. Ellis
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: JJ Guerin/President
Company name: Clearwater Utilities Company, Inc.

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)

 614,761

(The amount in the box above includes

 23,023 in sales taxes
billed or collected)

RECEIVED

MAY 07 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

 JJ Guerin
signature of owner/official

 623 0386-4096
telephone no.

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

THIS

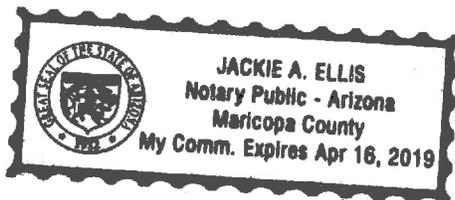
 1st

DAY OF

 Maricopa
(county name)
 May 2018
(month) and (year)

MY COMMISSION EXPIRES

 4-16-19
(date)



 Jackie A. Ellis
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): JJ Guerin/President
Name (owner or official) title: 0
Company name: Clearwater Utilities Company, Inc.

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)

 614,761

(The amount in the box above includes

 23,023 in sales taxes
billed or collected)

RECEIVED

MAY 07 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

 JJ Guerin
signature of owner/official

 623 0 386 4096
telephone no.

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

 Maricopa
(county name)

THIS 1st DAY OF May 2018
(month) and (year)

MY COMMISSION EXPIRES 4-16-19
(date)

 Jackie A. Ellis
(signature of notary public)

