

NEW APPLICATION



0000162168

ARIZONA CORPORATION COMMISSION

ORIGINAL



Arizona Corporation Commission
DOCKETED

MAY 26 2015

DOCKETED BY

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2015 MAY 26 P 12:15
AZ CORP COMMISSION
DOCKET CONTROL

FINANCING APPLICATION

Golden Shores Water Co. Inc.

UTILITY NAME

W-01815A-15-0166

DOCKET NO(S)

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application please call (602) 542-4251 for Staff assistance.

Golden Shores Water Co. Inc.
Narrative
Docket No. W-01815A-14-0210
Decision No. 74168

Our company has not had a regular rate increase since 1999. We filed an emergency rate increase in June of 2013 and we were awarded a 21% increase that went into effect on November 2013. In the years since 1999, the cost of doing business has been steadily rising. Materials, supplies, electricity, insurance costs, salaries, fuel etc. have all increased much more than the 21% we were allowed.

The economy is also having a detrimental effect on our company. We had 1563 active accounts in January 2012. As of May 2015, we now have only 1527 active accounts. We are losing accounts on a daily basis due to the economic problems this community is facing and the high foreclosure rate. Every year, despite our very best efforts, we have lost several thousand dollars to noncollectable debts, and unfortunately expect this to continue in the future.

At one time, Golden Shores Water Co. had 5 operational wells. 2 of these wells were taken off line years ago because of repair issues. In early 2012 our Well #2 was taken off line as well due to pumping sand and major sediment issues. Our system is now currently running on our 2 remaining wells which work in unison supplying our water system. We had Well #2 videoed by Layne Christianson Co. and we have been advised that it is not repairable. We had a second review done by Groundwater Partners, Inc. and they concurred with the opinion that it is not repairable. We have received preliminary estimates to begin drilling a new well that are currently at \$416,550.35. The installation of this replacement well is extremely critical to ensure that we have some sort of back up should one of the two wells currently in use become inoperable. At this current time, if one of our two wells should fail, we do not have the necessary water pressure to supply delivery to our customers. At the present time, we do not have the ability to fund the replacement well through internally generated funds or the ability to secure a loan.

We are in desperate need of upgrades to our machinery and equipment in order to maintain day to day operations. We also need to have inventory on hand to handle main breaks and emergency situations. As of this writing, we only have supplies for only the most minor repairs. As it stands now, if we have a main break, we have to turn water off to a complete unit of homes, leaving several hundred people without water for an extended period of time. Our existing valves do not operate properly to allow for a minimal shutdown and need to be replaced. This current situation leaves our community and it's water system in a very vulnerable state. It is extremely dangerous to be without water in a desert community where temperatures reach above 100 degrees on a daily basis during the summer months.

We would like to purchase a mobile generator so that we could have it on hand in case of a power failure, which happens often in our community during the monsoon season. At this current time, we cannot operate during a power outage, again leaving our customers in a vulnerable state.

During the last 3 years, we have made every effort to cut operating costs for our company. We have cut salaries, office expenses, unnecessary electrical costs, insurance expenses etc. We purchased a used Ford truck with a service bed so that we could improve our repair times and efficiency. We purchased a Mini Excavator in October of 2012 (loan from Mark Sparks) in order to facilitate necessary repairs. We will continue to look for ways to cut costs and provide the most efficient water service possible.

A reasonable rate increase is absolutely necessary at this time to keep our water company in business.

 **ULLMANN
& COMPANY P.C.**
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To The Board of Directors
Golden Shores Water Company, Inc.
Topock, Arizona

We have compiled the accompanying balance sheet of Golden Shores Water Company, Inc. (a corporation) as of December 31, 2013, and the related statement of operations for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

This report is intended solely for the information of the owners of the company and is not intended to be and should not be used by anyone other than these specified parties.


Ullmann & Company, P.C.
Certified Public Accountants

April 29, 2014

Golden Shores Water Company, Inc.
Balance Sheet
December 31, 2013

ASSETS

Utility Plant

Plant in Service	\$ 1,998,571
Accumulated Depreciation	(1,718,908)
<u>Net Utility Plant</u>	<u>279,663</u>

Current Assets

Cash	8,644
Accounts Receivable	37,007
Income Taxes Receivable	4,907
Materials & Supplies	18,451
Prepaid Expenses	976
Deferred Income Taxes - Current	5,207
Deferred Rate Case	6,279
<u>Total Current Assets</u>	<u>81,471</u>

Other Assets

Deferred Income Taxes - Noncurrent	68,091
<u>Total Other Assets</u>	<u>68,091</u>

<u>Total Assets</u>	<u>\$ 429,225</u>
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STOCKHOLDER'S EQUITY & LIABILITIES

Stockholder's Equity

Common Stock	\$ 20,000
Paid-in Capital	31,155
Retained Earnings	237,218
<u>Total Stockholder's Equity</u>	<u>288,373</u>

<u>Contributions in Aid of Construction</u>	<u>54,969</u>
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Current Liabilities

Accounts Payable	12,983
Current Portion of Long-Term Debt	7,096
Income Taxes Payable	50
Accrued Other Taxes	22,622
Accrued Property Taxes	13,769
<u>Total Current Liabilities</u>	<u>56,520</u>

Deferred Liabilities

Customer Deposits	29,363
<u>Total Deferred Liabilities</u>	<u>29,363</u>

<u>Total Stockholder's Equity & Liabilities</u>	<u>\$ 429,225</u>
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See Independent Accountants' Compilation Report.

Golden Shores Water Company, Inc.
Statement of Operations
For the Year Ended December 31, 2013

<u>Operating Revenue</u>	
Water Sales	\$ 478,948
<u>Total Operating Revenue</u>	478,948
<u>Operating Expenses</u>	
Depreciation	93,017
Salaries & Wages	95,428
Pumping Power	55,888
Water Analysis	2,793
Repairs & Maintenance	47,343
Office Supplies & Expenses	7,424
Outside Services	143,636
Rents	4,800
Transportation Expense	17,932
Insurance	6,814
Rate Case Expenses	3,036
General Operating	14,073
Taxes Other Than Income	36,900
Income Tax Expense (Benefit)	(13,788)
<u>Total Operating Expenses</u>	515,296
<u>Operating Loss</u>	(36,348)
<u>Other Revenue (Expenses)</u>	
Interest Income	89
Interest Expense	(928)
<u>Total Other Revenue (Expenses)</u>	(839)
<u>Net Loss</u>	\$ (37,187)

See Independent Accountants' Compilation Report.

Account #	Account Name / Description	Debits	Credits
12/31/2013	<u>AJE 1</u>		
675.00	Miscellaneous Expense	1,671.43	
400.00	Metered Water Revenue	5,318.09	
151.00	Materials and Supplies	18,451.00	
303.00	Land	1,800.00	
304.00	Structures & Improvements	30,183.34	
305.00	Tanks	81,128.18	
307.00	Wells	475,013.76	
311.00	Pumping Equipment	90,991.44	
330.00	Reservoir	44,771.00	
331.00	Mains	505,969.48	
333.00	Services	61,328.07	
334.00	Meters	260,327.05	
335.00	Hydrants	1,971.51	
339.00	Plant Structures & Imprv	27,987.00	
340.00	Office Equipment	43,863.97	
341.00	Vehicles	51,979.26	
343.00	Tools & Equipment	24,846.83	
345.00	Power Operated Equipment	41,274.53	
346.00	Communication Equipment	9,632.28	
347.00	Miscellaneous Equipment	4,328.63	
348.00	Cap. Repairs & Maint.	69,224.75	
390.00	Land for Future Use	30,785.00	
186.50	Deferred Tax Asset- non-current	67,503.00	
100.00	Metered Water Revenue	395.47	
100.00	Metered Water Revenue	6,964.59	
172.00	Accm Amortz of CIAC	36,918.08	
118.00	Proprietary Capital	247,741.04	
157.00	Insurance- General Liability		1,275.81
09.11	State Income Tax		4,102.45
08.00	Accumulated Depreciation		1,621,080.88
75.00	Miscellaneous Expense		3,462.65
34.00	N/P - Nissan Motors		6,399.48
00.00	Metered Water Revenue		2,130.00
00.00	Metered Water Revenue		5,270.00
41.00	Accrued Property Tax		12,377.91
75.00	Miscellaneous Expense		3,200.00
01.00	Salaries & Wages		1,288.00
71.00	CIAC		95,696.85
33.00	Payable to Shareholder		30,777.00
01.00	Common Stock		20,000.00
11.00	APIC		25.00
15.00	Retained Earnings		432,605.06
00.00	Opening Balance Equity		2,677.69

To adjust beginning balances to 2012 tax return.

12/31/2013

AJE 2

14.00	N/P - Nissan Motors	4,351.48	
1.00	Vehicles		3,998.62
1.00	APIC		352.86

Account #	Account Name / Description	Debits	Credits
To move note payments to correct account.			
12/31/2013		<u>AJE 3</u>	
403.00	Depreciation Expense	97,827.32	
108.00	Accumulated Depreciation		97,827.32
272.00	Accm Amortz of CIAC	4,809.84	
403.00	Depreciation Expense		4,809.84
To post current year depreciation and CIAC amortization.			
12/31/2013		<u>AJE 4</u>	
427.00	Interest Expense	502.28	
234.00	N/P - Nissan Motors		502.28
To adjust note payable to Nissan Motors to actual.			
12/31/2013		<u>AJE 5</u>	
241.40	Privilege Tax Payable	2,350.01	
400.00	Metered Water Revenue		2,350.01
To adjust privilege tax payable to correct amount.			
12/31/2013		<u>AJE 6</u>	
400.00	Metered Water Revenue	180.00	
235.00	Customers Deposits		180.00
To adjust customer deposits to report balance.			
12/31/2013		<u>AJE 7</u>	
108.11	Property Taxes	1,390.63	
141.00	Accrued Property Tax		1,390.63
To adjust property taxes payable to correct amount.			
12/31/2013		<u>AJE 8</u>	
09.20	Arizona Income Tax	50.00	
36.10	Income Taxes Payable		50.00
To post current year income taxes.			

Account #	Account Name / Description	Debits	Credits
12/31/2013	AJE 9		
174.10	Deferred Tax Asset- Current	5,207.00	
186.50	Deferred Tax Asset- non-current	588.00	
410.00	Deferred Income Taxes		5,795.00
To adjust deferred income taxes to 12/31/13 balance.			
12/31/2013	AJE 10		
186.10	Deferred Rate Case Expenses	9,106.67	
666.00	Reg Comm Exp- Rate Case		9,086.67
667.00	Reg Comm Exp- Other		20.00
To capitalize deferred rate case expenses for emergency rate case.			
12/31/2013	AJE 11		
666.00	Reg Comm Exp- Rate Case	2,827.64	
186.10	Deferred Rate Case Expenses		2,827.64
To amortize deferred rate case expenses over life of emergency rate case.			
12/31/2013	AJE 12		
333.00	Services	7,068.79	
311.00	Pumping Equipment	1,885.22	
334.00	Meters	9,926.18	
620.00	Mtis & Supplies (R&M)		18,880.19
To capitalize plant for 2013.			
12/31/2013	AJE 13		
233.00	Payable to Shareholder	30,777.00	
211.00	APIC		30,777.00
To adjust loan from shareholder converted to capital.			
12/31/2013	AJE 14		
242.00	Misc Cur & Accrued Liabilities	1,000.00	
271.00	CIAC		1,000.00
To adjust payment received from Clayton Deetz for a fire hydrant to CIAC.			

Account #	Account Name / Description	Debits	Credits
12/31/2013		AJE 15	
162.00	Prepaid Items	975.54	
656.00	Insurance- Vehicle		975.54
To note portion of insurance that was prepaid.			
12/31/2013		AJE 16	
660.00	Advertising	535.00	
675.50	Donations	855.00	
426.00	Non-Utility Expense		1,390.00
To move non-utility expense to correct accounts.			
12/31/2013		AJE 17	
142.20	Federal Tax Receivable	4,907.00	
409.10	Federal Income Tax		4,907.00
To accrue receivable for 2012 carryback to 2011.			
12/31/2013		AJE 18	
241.30	Franchise Tax Payable	7,938.12	
400.00	Metered Water Revenue		7,938.12
To adjust franchise tax payable to actual.			
Totals		2,437,427.50	2,437,427.50

LOAN APPLICATION FOR A DRINKING WATER PROJECT

Financial Assistance Project Priority List Application
Project Number: DW-011-2016

1. APPLICANT AND CONTACT INFORMATION

1.1 Utility Information

Name: Golden Shores Water Company

Address: PO Box 37 City: Topock State: AZ Zip: 86436 County: Mohave

1.2 Utility Representative to be Contacted Regarding Application

First Name: Mark Last Name: Sparks Title: Vice President

Address: PO Box 37 City: Topock State: AZ Zip: 86436

Phone: (928) -768-3110 Fax: (928) -768-5359 E-Mail: Goldenshoreswtr@hotmail.com

1.3 Median Household Income: \$ 31,521.00

*Median household income was obtained from American Fact Finder
(<http://factfinder2.census.gov>) based on US Census Bureau information.*

2. SYSTEM INFORMATION

2.1 ADEQ system identification number (PWS #) AZ0408024

2.2 Number of connections to system 1,495 Not Applicable

2.3 Population served by the system 3,100 Not Applicable

2.4

Monthly residential fee (base + use) for 7,500 gallons \$ 25.00 Not Applicable

2.5 Existing debt (principal only) payable by system users \$ 0.00

2.6 System Compliance

Notice of violations and/or consent orders from regulatory agency (**must mail or supporting documents*)

In compliance

2.7 Is the system ACC regulated? Yes No

2.8 Is the system registered with the E-Verify Program? Yes No
Applicants are required to provide proof of participation prior to the execution of a loan or technical assistance agreement.

3. PROPOSED PROJECT INFORMATION

3.1 Project Name: Replacement of Well #2 and abandonment of 2 unoperable wells

3.2 Select county in which project is located: Mohave

3.3 Is this request for a project that received financial or technical assistance from WIFA in a previous funding cycle? Yes No

3.4 Type of loan needed: 3-year design loan only Construction loan (may include design and acquisition)

3.5 Briefly summarize the problem below.

Our well #2 was pumping sand, was video logged and was deemed non-repairable by 2 separate companies. This well has been off-line since early 2012. Our system is currently working on a 2 well system, if one of these functioning wells should go down, we do not have enough water pressure to supply our community. We also need to legally abandon 2 wells which currently do not operate and are non-repairable.

3.6

Briefly summarize the solution below.

We need to legally abandon Well #2 and we need to replace it with a new well on the existing property, as well as abandon 2 wells.

3.7 Project Purpose: Assist Compliant Systems to Maintain Compliance



4. EXISTING CONDITIONS AND PROJECT BENEFITS

4.1 Select Expected Project Benefit(s)

- Compliance - Existing Requirements Compliance - Future Requirements Expanded Service
- Reduce Public Health Risks

4.2 Water System Improvement **must mail or supporting documents*

- Proposed project addresses deficiencies identified by EPA, ADEQ or ADEQ-delegated agency.

4.3 Consolidation and Regionalization

- Project physically consolidates two or more public water systems into one public water System
- Project is the extension of service to areas currently not served by a public water system.
- Project consolidates the operations, management and/or ownership of two or more public water systems.

4.4 Water and Energy Efficiency Index

50% to 100% of total project costs are for water or energy efficiency components or environmentally innovative approaches.

10% to 49% of project costs are for water or energy efficiency components or environmentally innovative approaches.

less than 10% of the project costs are for any water or energy efficiency components or environmentally innovative approaches.

Use textbox to enter description of the project's green components

\$ 0.00 Cost of water or energy efficiency or environmentally innovative approaches that are part of this loan

5. READINESS TO PROCEED INDICATORS

5.1 Debt Authorized? Yes No (For more information, see WIFA Debt Authorization Guidance Document)

Enter authorization/expected authorization date: 09/01/2015

Mail or copy of official governing body debt authorization resolution, election results or ACC order

5.2 Project Design* (Select only one)

Project is in planning stages

Engineer has been selected

Currently under design

Ready for construction

Enter design completion/anticipated design completion date:

5.3 Applicable Plan and Specification Approvals* (Select only one)

Approval to construct has been obtained

Plans and specification have been submitted to permitting agency for approval

- Design has not been completed
- Other or not applicable

Enter permit/anticipated permit(s) receipt date:

If not applicable or if multiple permits are required, please explain:

5.4 Project Bids* (Select only one)

- Project is not ready for bid
- Project is currently out for bid
- Bidding is complete

Enter bid/anticipated bid award date:

5.5 Project Construction

When do you plan to begin project construction? If you need to begin the project before the requested financial assistance is awarded, please provide details.

as soon as possible

*** Alternative project delivery methods are acceptable for WIFA-funded projects.**

6. REQUESTED AMOUNT AND SUPPORTING DOCUMENTS

6.1 Estimated Date WIFA Funding Required: 09/01/2015

6.2 Estimated Financial Assistance Costs & Funding Source

Funding Source

Project Costs

Amount funded locally:

\$ 0.00

Amount requested from WIFA for this project: \$ 416,550.35

Other source: \$ 0.00

Total: \$ 416,550.35

File Attachments:

Reference Name	Document Name	Date Added	Added By
No record found.			

CERTIFICATION AND AUTHORIZATION

I certify that the information contained in this application is, to the best of my knowledge, true, accurate and correct.

I hereby affirm that I, mark sparks, am the vice president and I am authorized by Golden Shores Water Company to submit this application on behalf of the organization for which I am acting.

ENVIRONMENTAL REVIEW CHECKLIST

Drinking Water Projects
Project Number: DW-011-2016

Please complete the following checklist to allow WIFA to determine the necessary environmental review requirements for the proposed project. Please contact Sara Konrad at (602) 364-1319 or skonrad@azwifa.gov with any questions.

Section 1. General Information

Applicant Name:	Golden Shores Water Company	Date:	02/02/2015
Project Contact:	Mark Sparks	Phone Number:	(928) -768-3110
Project Title:	Replacement of Well #2 and abandonment of 2 unoperable wells	Project Number:	DW-011-2016
Physical Location:	12649 Apache Parkway, Topock , AZ 86436		

Section 2. Categorical Exclusions. A project for which the answer to any part of statement 1 is "yes" may be eligible for a Categorical Exclusion. However, if any of the statements from 1a. through 1e. is answered "yes," then the project is not eligible for a Categorical Exclusion. [A.A.C. R-18-15-106 (B)]

		Yes	No	Comments/Documentation (as applicable)
1.	The project relates to existing infrastructure systems and involves minor upgrading, minor expansion of system capacity, rehabilitation (including functional replacement) of the existing system and system components, or construction of new minor ancillary facilities adjacent to or on the same property as existing facilities.	<input type="radio"/>	<input checked="" type="radio"/>	
1a.	The project involves new or relocated discharges to surface water or groundwater.	<input type="radio"/>	<input checked="" type="radio"/>	
1b.	The project will likely result in the substantial increase in the volume or the loading of pollutant to the receiving water.	<input type="radio"/>	<input checked="" type="radio"/>	
1c.	The project will provide capacity to serve a population 30% greater than the existing population.	<input checked="" type="radio"/>	<input type="radio"/>	
1d.		<input type="radio"/>	<input checked="" type="radio"/>	

	A state or other regional growth plan or strategy does not support this project. <i>Answering "yes" indicates that the project is not supported.</i>		
1e.	The project directly or indirectly involves or relates to upgrading or extending infrastructure systems primarily for the purposes of future development.	<input type="radio"/>	<input checked="" type="radio"/>

Section 3. Extraordinary Circumstances. [A.A.C. R-18-15-106(C)] If any of the following extraordinary circumstances apply to the project, it is not eligible for a Categorical Exclusion.

		Yes	No	Comments/Documentation (as applicable)
1.	The project is known or expected to have potentially significant adverse environmental impacts on the quality of the human environment either individually or cumulatively over time.	<input type="radio"/>	<input checked="" type="radio"/>	
2.	The project is known or expected to have disproportionately high and adverse human health or environmental effects on any community, including minority, low-income, or federally-recognized Indian tribal communities.	<input type="radio"/>	<input checked="" type="radio"/>	
3.	The project is known or expected to significantly affect federally listed threatened or endangered species or their critical habitat.	<input type="radio"/>	<input checked="" type="radio"/>	
4.	The project is known or expected to significantly affect national natural landmarks or any property with nationally significant historic, architectural, prehistoric, archeological, or cultural value, including but not limited to, property listed on or eligible for the Arizona or National Registers of Historic Places. http://azstateparks.com/SHPO/review.html	<input type="radio"/>	<input checked="" type="radio"/>	
5.	The project is known or expected to significantly affect environmentally important natural resource areas such as:			
5a.	wetlands	<input type="radio"/>	<input checked="" type="radio"/>	
5b.	floodplains	<input type="radio"/>	<input checked="" type="radio"/>	
5c.	significant agricultural lands	<input type="radio"/>	<input checked="" type="radio"/>	

5d.	aquifer recharge zones	<input type="radio"/>	<input checked="" type="radio"/>
5e.	wild and scenic rivers http://www.rivers.gov/arizona.php	<input type="radio"/>	<input checked="" type="radio"/>
5f.	significant fish or wildlife habitat <i>Complete the Arizona Game and Fish On-Line Environmental Review Tool at http://www.azgfd.gov/hgis and submit.</i>	<input type="radio"/>	<input checked="" type="radio"/>
5g.	other environmentally important natural resource areas.	<input type="radio"/>	<input checked="" type="radio"/>
6.	The project is known or expected to cause significant adverse air quality effects.	<input type="radio"/>	<input checked="" type="radio"/>
7.	The project is known or expected to have a significant effect on the pattern and type of land use or growth and distribution of population, including altering the character of existing residential areas, or may not be consistent with state or local government, or federally-recognized Indian tribe approved land use or federal land management plans.	<input type="radio"/>	<input checked="" type="radio"/>
8.	The project is known or expected to cause significant public controversy about a potential environmental impact of the proposed action.	<input type="radio"/>	<input checked="" type="radio"/>
9.	The project is known or expected to be associated with providing financial assistance to a federal agency through an interagency agreement for a project that is known or expected to have potentially significant environmental impacts.	<input type="radio"/>	<input checked="" type="radio"/>
10.	The project is known or expected to conflict with federal, state, or local government, or federally-recognized Indian tribe environmental, resource-protection, or land-use laws or regulations.	<input type="radio"/>	<input checked="" type="radio"/>

Section 4. Special conditions

		Yes	No
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				Comments/Documentation (as applicable)
1.	The project is for planning purposes only and does not include design or construction. <i>*If yes, the project may be exempt from environmental review requirements.</i>	<input type="radio"/>	<input checked="" type="radio"/>	
2.	An Environmental Assessment under NEPA has been conducted for this project or earlier phases of this project. <i>*If yes, provide a copy of the Environmental Assessment.</i>	<input type="radio"/>	<input checked="" type="radio"/>	

CERTIFICATION AND AUTHORIZATION

I certify that the information contained in this Environmental Review Checklist is, to the best of my knowledge, true, accurate and correct.

I hereby affirm that I, , am the and I am authorized by Golden Shores Water Company to submit this Environmental Review Checklist on behalf of the organization for which I am acting.

Docket No. : W-01815A-14-0210
Decision No: 74168

02/15/2015

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Financing Application Request

- 1.1- Un-audited financial statement – see attached
- 1.2- Name of Lender – WIFA
 - Loan Amount- \$416550.35
 - Planned Financing - ASAP
 - Interest Rate - 5%
 - DSC - 1.2%
- 1.3- Use of Financing proceeds: Design layout and replacement of existing well which is currently offline. Abandonment of 2 wells. Please see attached estimates.
- 1.4- No interim funding to be utilized
- 1.5- No existing Advances in Aid of Construction, no existing Contributions in Aid of Construction
- 1.6- Proof of notice of mailing, see attached
- 1.7- Number of customers served: Residential - 1524 , Commercial - 1
- 1.8- No financing approvals remain in effect
- 1.9- No long term debt obligations
- 1.10- No Proceeds will be used to retire existing long-term or short-term debt
- 1.11- Certificate of resolution: see attached
- 1.12- Financial performance (see request for waiver)
- 1.13- The company does not have a revolving line of credit
- 1.14- There is no credit agency financial review

1.15- The company's last decision number was No. 74168, the date of the last general rate case was August 1, 1999...the test year used would have been 1998

1.16- No additional financing authorizations that we contemplate at this time

1.17- Financing is not by an electric provider

Application to include the following:

1. Legal name, phone number and email: Golden Shores Water Co. located at 12812 Oatman Hwy, Topock, AZ 86436. Phone number is: 928-768-3110, Email is : goldenshoreswtr@hotmail.com
2. Name of contact: Mark A Sparks..Vice President
3. Data requests – see attached
4. Statement- see attached
5. No one is entitled to a fee in connection to the financing
6. Copy of WIFA loan application attached
7. Public Notice of financing application- see attached
8. Original and 13 copies submitted with this application



YELLOW JACKET

DRILLING SERVICES

The Southwest's Premier Provider of Innovative Drilling and Well Services

Mr. Mark Sparks
 Golden Shores Water Company, Inc.
 P.O. Box 37
 Topock, AZ 86436

Date: 4/27/15
 Bid # (AZ)JT15-3952

Subject:

Drilling Services -- Water Supply Well, Topock, AZ

Scope of Work:

Utilizing a (Flooded Reverse Circulation) drill rig:
 Drill and construct (1) pre-designed 14" water supply well to a depth of 600'.

Utilizing a (Well Service) rig:
 Abandon (1) existing 8" x 500' LCS water supply well.
 Abandon (1) existing 12" x 500' LCS water supply well.

Item	Quantity	Unit	Cost	Price
Project Cost Summary				
Drilling Equipment; Mob/Demob	1	LS	\$ 44,500.00	\$ 44,500.00
Drilling Costs; 14" x 600'	1	EA	\$ 271,327.00	\$ 271,327.00
Well Abandonment Equipment; Mob/Demob	1	LS	\$ 3,000.00	\$ 3,000.00
Abandonment Costs; 8" x 500'	1	EA	\$ 5,400.00	\$ 5,400.00
Abandonment Costs; 12" x 500'	1	EA	\$ 7,800.00	\$ 7,800.00
Estimated Project Total				\$ 332,027.00

Item	Quantity	Unit	Cost	Price
Drilling Costs - 14" x 600'				
Surface Casing; 24" x 40'	1	EA	\$ 21,500.00	\$ 21,500.00
Drilling; 22" Borehole	560	FT	\$ 200.00	\$ 112,000.00
Well Construction; Backfill and/or Construct	600	FT	\$ 55.00	\$ 33,000.00
Well Material; 14" .375" Wall LCS Ful Flo Screen	300	FT	\$ 129.00	\$ 38,700.00
Well Material; 14" .375" Wall LCS Casing	302	FT	\$ 74.00	\$ 22,348.00
Well Material; 14" LCS SE Head	1	EA	\$ 350.00	\$ 350.00
Well Material; 1.5" LCS Sounding Tube (Includes 40' of Perf)	340	FT	\$ 3.00	\$ 1,020.00
Well Material; Tacna Gravel Pack (340')	37	TN	\$ 215.00	\$ 7,955.00
Well Material; Bentonite Transition Seal (10')	21	CF	\$ 24.00	\$ 504.00
Well Material; Cement Grout Seal (250')	18	YD	\$ 250.00	\$ 4,500.00
Well Material; 2' x 2' Steel Cover Plate (Spot Welded)	1	EA	\$ 250.00	\$ 250.00
Well Development; Set-up to Dual Swab Airlift	1	EA	\$ 4,000.00	\$ 4,000.00
Well Development; Dual Swab Airlift (Assumes 7-Min/ft Screen)	35	HR	\$ 720.00	\$ 25,200.00
Drill Rig Standby ('Client' Directed Work Stoppage..)	0	HR	\$ 720.00	\$ -
Subtotal				\$ 271,327.00

Item	Quantity	Unit	Cost	Price
Well Abandonment Costs - 8" x 500'				
Well Service; Pull & Stack Pumping Equipment	0	EA	\$ 300.00	\$ -
Well Service; Brush and/or Bail Well	0	HR	\$ 300.00	\$ -
Well Service; Perforate Well Casing	0	HR	\$ 300.00	\$ -
Perforator Rental; 8" (Weekly)	0	WK	\$ 600.00	\$ -
Perforator Blade; 8" (Replacement)	0	EA	\$ 500.00	\$ -
Backfill; Labor Only	1	EA	\$ 3,000.00	\$ 3,000.00
Backfill; Cement Grout (8-Yard Min. Delivery)	8	YD	\$ 300.00	\$ 2,400.00
Well Pad & Casing Removal; Attempt Removal of Upper 20' Casing	0	EA	\$ 3,500.00	\$ -
Well Abandonment Crew Standby	0	HR	\$ 300.00	\$ -
Subtotal				\$ 5,400.00

Item	Quantity	Unit	Cost	Price
Well Abandonment Costs - 12" x 500'				
Well Service; Pull & Stack Pumping Equipment	0	EA	\$ 300.00	\$ -
Well Service; Brush and/or Bail Well	0	HR	\$ 300.00	\$ -
Well Service; Perforate Well Casing	0	HR	\$ 300.00	\$ -
Perforator Rental; 12" (Weekly)	0	WK	\$ 750.00	\$ -
Perforator Blade; 12" (Replacement)	0	EA	\$ 550.00	\$ -
Backfill; Labor Only	1	EA	\$ 3,000.00	\$ 3,000.00
Backfill; Cement Grout (8-Yard Min. Delivery)	16	YD	\$ 300.00	\$ 4,800.00
Well Pad & Casing Removal; Attempt Removal of Upper 20' Casing	0	EA	\$ 3,500.00	\$ -
Well Abandonment Crew Standby	0	HR	\$ 300.00	\$ -
Subtotal				\$ 7,800.00

'YJD' Proposal Assumptions & Conditions:

- 1.) 'Client' to provide all Local, State, Federal project specific permits.
- 2.) All drilling locations are to be clear of any and all overhead & subsurface utilities.
- 3.) All drilling locations are accessible by way of 2-wheel drive truck mounted drilling & related equipment.
- 4.) All drill cuttings generated will be stockpiled on-site.
- 5.) All fluids generated will be discharged on-site within 100' of the drilling location.
- 6.) A 'Client' arranged/approved on-site water supply source will be made available to 'YJD' during all drilling and related phases of the project; at no cost to 'YJD'.
- 7.) During the drilling operation, if there is no return of the circulated drilling medium for a period of at least two (2) continuous hours, the 'Client' representative will be notified. 'YJD' will be compensated for the period of drilling under "Lost Circulation" condition at the rate of \$720.00/hour. Also 'YJD' will be compensated for all drilling fluid materials and additives required during the period of lost circulation. The condition of this section shall apply from the beginning of the time of notification until such time as circulation is regained with full or partial returns of the drilling medium to the land surface. After an initial lost circulation be lost again, the conditions of the paragraph will go into effect immediately and continue until such time as circulation is regained with full returns of the drilling medium at the land surface.
- 8.) During the drilling operation, if a "Hard or Unstable Formation" is encountered that results in a penetration rate of 5 feet per hour or less for a continuous period of two (2) hours, 'YJD' will be compensated for the drilling conditions at the rate of \$720.00/hour. Also there will reasonable compensation to 'YJD' for all drilling bits and other materials used during the period of hard/unstable drilling conditions. The conditions shall apply from the beginning of the time of low penetration (less than 5 feet per hour) and shall continue only until such time as drilling is resumed at a rate of 5 feet per hour or greater.
- 9.) Schedule/Pricing is based on a single rig daytime operation; utilizing (2) rotating crews, working 12/hour shifts, working a continuous schedule (Including Mob/Demob/Travel Time).
- 10.) Drill rig standby due to unreadiness of the drilling locations or 'Client' delays will be billed at the rate of \$720.00/hour.
- 11.) Project is not subject to surcharges for Union/Davis Bacon/Prevailing labor rates.

12.) If the project encounters difficulties beyond our control or if the scope of work is altered, 'YJD' reserves the right to renegotiate the price.

13.) Materials; due to the market price fluctuations of steel and petroleum based products; 'YJD' cannot guarantee the price of the materials required to complete the project beyond a period of 10-working days from the date in which the pricing is provided. In the event that a material price increase occurs; 'YJD' reserves the right to pass on the difference in the form of a revised proposal or by using the change order process.

14.) Provided pricing does not include any applicable State and/or Local Taxes.

15.) This proposal is valid for (60) days from the above date.

For new Clients payment terms will be established by 'YJD' based on 'Client' financial history. 'YJD' will utilize information available through Dun & Bradstreet ('D&B') to make the determination.

For established Clients services rendered will be billed promptly upon completion of work. Terms are net **thirty (30) days** unless otherwise agreed in writing in advance. A delinquency charge of 1.5% per month will apply to all past due invoices, unless a lower rate is required by law. Client agrees to pay all court costs and attorneys fees, should court proceedings be initiated or attorneys be retained to collect past due amounts.

We at Yellow Jacket Drilling Services thank you for the opportunity to provide this proposal. If you have any questions, or if we can be of any further assistance please do not hesitate to contact us at (888) 495-3745. We look forward to hearing from you soon.

Sincerely,
Yellow Jacket Drilling Services, LLC

John Truax

John Truax

Acceptance of all outlined pricing, terms and conditions:

Company Name: _____

Authorized Representative (Name & Title): _____

Signature: _____

Geuther Electrical, LLC

745 N. Gilbert Rd. Ste. 124 PMB 193

Gilbert, AZ 85234

Estimate

Date	Estimate #
4/9/2015	463

Name / Address
Golden Shores Water

			Project
Description	Qty	Cost	Total
Labor and material to install 100 hp VFD for 75 hp submersible pump. Scope: 1- Supply and Install 100 hp ABB VFD NEMA 4X in place of existing soft starter. 2-Supply and install pressure transducer for VFD speed control. 3-Supply and install conduits and wiring as required. 4-Start-Up VFD, program, and adjust for proper operation. Cost for above listed services and material Sales Tax	1	14,598.75 787.60	14,598.75T 787.60
Total			\$15,386.35

Customer Signature _____

May 12, 2015

Ref: Docket No. W-01815A-14-0210
Decision No. 74168

Arizona Corporations Corporation
1200 West Washington Street
Phoenix, AZ 85007

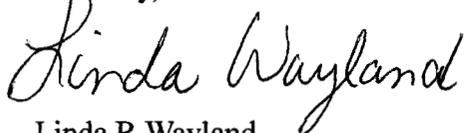
Ref: Financing Application request 1.12

To whom it may concern:

We are currently applying for a finance request with the ACC and we are requesting a waiver on the requirement 1.12, which is asking us to provide a projection of our Company's estimated financial performance for each of the next 5 years. We currently do not have the funds to pay either our accountant or an attorney to provide such documentation. Basically, all the information we have to offer is the fact that we have had one 20% rate increase within the last 15 years and we are currently applying for a new rate increase, but that is yet to be determined. Our customer base (active accounts) has varied by 1% in the past 5 years, and we see no significant reason for those numbers to change in the near future.

We sincerely hope you will work with us by granting this waiver at this time.

Sincerely,



Linda R Wayland
President
Golden Shores Water Co. Inc.

Docket No. W-01815A-14-0210
Decision No. 74168

May 5, 2015

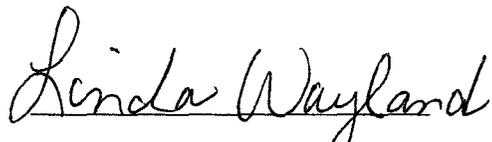
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Statement supporting application for financing

This letter is to acknowledge that requesting financing from the ACC falls within all corporate powers of our company and its board of directors. This application is compatible with the public interest. This application is compatible with sound financial practice. It is compatible with the proper performance by our company as a public service corporation, this will not impair our ability to perform our regular services to our customers. The purposes of the financing are not reasonably chargeable to operative expenses or to income at this time. We believe our financial statements will support this.

Thank you,


Mark A Sparks
Vice President
Golden Shores Water Co.


Linda Wayland
President
Golden Shores Water Co.

Corporate Resolution of:

Golden Shores Water Co. Inc.

We, the undersigned, being all the directors of this corporation consent and agree that the following corporate resolution was made
on 5/05/2015 date
at 1:12 pm time
at Topock, AZ 86436 location

We do hereby consent to the adoption of the following as if it was adopted at a regularly called meeting of the board of directors of this corporation. In accordance with State law and the bylaws of this corporation, by unanimous consent, the board of directors decided that:

We would apply for a loan through WIFA in the amount of \$416,550.35. It is also decided that we would file a finance rate application with the Arizona Corporation Commission to coincide with the filing of our rate case.

Therefore, it is resolved, that the corporation shall:

Apply for WIFA loan amount to be \$416,550.35.

File a finance rate application with the ACC.

The officers of this corporation are authorized to perform the acts to carry out this corporate resolution.

Linda Wayland
Director signature

Linda Wayland
Printed name

5-5-15
Date

Mark Sparks
Director signature

MARK SPARKS
Printed name

5-5-15
Date

Director signature

Printed name

Date

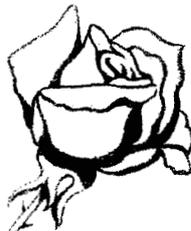
The Secretary of the Corporation, certifies that the above is a true and correct copy of the resolution that was duly adopted at a meeting of the dated meeting of the board of directors.

Eileen Sparks
Signature of Secretary

5-5-15
Date

EILEEN SPARKS
Printed name of Secretary

TOPOCK TOPICS



POB 999
TOPOCK, AZ 86436

To Whom it may Concern,

Topock Topics is a local newsletter , published and distributed on the 1st of each month. We have total saturation in Topock/Golden Shores. There are currently 1130 open post office boxes.

The enclosed publication was submitted for publication by the Golden Shores Water Company. It will be published in the June, 2015 edition of the Topock Topics. The newsletter will be mailed on May 29,2015

Sincerely,

Patricia G. Colloran
Editor Topock Topics

cc: Golden Shores Water Co.
enc. 2 pages

**PUBLIC NOTICE OF GOLDEN SHORES WATER
CO. INC. FINANCING APPLICATION
DOCKET NO. W-01815A-140173**

On May 15, 2015, **GOLDEN SHORES WATER CO . INC.** filed an Application with the Arizona Corporation Commission ("Commission") for an order authorizing Applicant to issue \$416,550.35. The purpose of the financing is TO REPLACE WELL #2 AND ABANDONMENT OF 2 DEFECTIVE WELLS. The Commission may approve, disapprove, or approve the financing request with modifications. The Commission may act on the financing request with or without a hearing.

How to View the Application and other Filings

Copies of the application are available from GOLDEN SHORES WATER CO. office, located at 12812 Oatman Highway, Topock, AZ 86436 and for inspection during regular business hours at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, AZ 85007. All filings in this matter are also available via the Commission's website (www.azcc.gov) using the e-Docket function and Docket No. W-01815A-14-0173.

How Interested Persons May Participate

An interested person may participate in this matter by (1) providing written public comment, or (2) filing for intervention and becoming a formal party to the proceeding. Written public comments must refer to Docket No. W-01815A-14-0173 and may be submitted at any time as follows:

By Mail: Arizona Corporation Commission
 Consumer Services Section
 1200 West Washington Street Phoenix,
 AZ 85007

On the Website: www.azcc.gov using the link "Submit a Public Comment".

Anyone requiring assistance may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

About Intervention

Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. Intervention entitles a person to participate as a party and if a hearing is held, to present sworn testimony and evidence and cross-examine witnesses. Persons who do not intervene will receive no further notice of the proceedings in this docket. The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that the person requesting intervention must file an original and 13 copies of a written motion to intervene with the Commission's Docket Control Center on or before June 29, 2015 and must send a copy of the motion to **Golden Shores Water Co.** or its counsel.

Contact information for the Applicant and other parties is available using the eDocket function and Docket No. W-01818A-14-0173

Each motion to intervene must include the Docket Number and contain the following:

1. The name, address, and telephone number of the person requesting intervention and of any person upon whom service of documents is to be made, if not the same person;
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of the Applicant, a member or shareholder of the Applicant, etc.);
3. Whether the proposed intervenor desires a formal evidentiary hearing on the application and the reasons for such a hearing;

4. A statement certifying that a copy of the motion to intervene has been mailed to the Applicant or its counsel and to all parties of record in the case; and

Attachment B

5. Information and any appropriate documentation demonstrating compliance with Arizona Supreme Court Rules 31, 38, and 42, as applicable, unless the proposed intervenor is an individual representing himself or herself, or is represented by an attorney who is an active member of the Arizona State Bar. A sample intervention request form is available at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its proceedings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, and may request this document in an alternative format, by contacting ADA Coordinator Shaylin Bernal, at SBernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

Certificate of Compliance

Letter of Good Standing

GOLDEN SHORES WATER CO., INC

This Certificate of Compliance is issued pursuant to Arizona Revised Statutes Section 42-1110 and/or Section 43-1151. It certifies that, according to department records, the above named taxpayer has filed and paid all taxes due under Title 42 and Title 43, specifically and only as to the following described tax types and identification/license numbers:

TAX TYPE

Federal Employer Identification Number
Transaction Privilege Tax License
Withholding License

IDENTIFICATION

86-0364894
08-008405-N
86-036489-4

This certification is made conditionally and is subject to the findings of any subsequent audit.

Issued To:

Golden Shores Water Co., Inc
Attn: Mark Sparks
12812 Oatman Highway
PO Box 37
Topock, AZ 86436


Nathan P. Martinez
Administrator 602-716-6234
June 2, 2014
www.AZDOR.gov