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2018
ANNUAL REPORT
OF
DISTRICT WATER SYSTEM OPERATIONS
OF

Golden State Water Company
(NAME OF CORPORATION)

Name of District: _____ Desert _____ Location: Victorville, _____ San Bernardino
(TOWN OR CITY) (COUNTY)

TO THE
PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
FOR THE YEAR ENDED DECEMBER 31, 2018

REPORT MUST BE FILED NO LATER THAN MARCH 31, 2019

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GENERAL INSTRUCTIONS

1. Two completed and signed hard copies of this report and one electronic copy must be filed **NO LATER THAN MARCH 31, 2019**, with:

CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION
ATTN: BRUCE DEBERRY
505 VAN NESS AVENUE, ROOM 3105
SAN FRANCISCO, CALIFORNIA 94102-3298
bmd@cpuc.ca.gov

2. Failure to file the report on time may subject a utility to the penalties and sanctions provided by the Public Utilities Code.
3. The Declaration on Page 19 must be signed by an authorized officer, partner, or owner.
4. The report must be prepared in accordance with the CPUC Excel annual report template. The Excel file and a PDF of the file is to be submitted to the Commission.
5. The report must be filled in, and every question answered. **LEAVE NO SCHEDULE BLANK.** Insert the words "none" or "not applicable" or "n/a" when appropriate.
6. Total and subtotal boxes are automatically summed in Excel. Auto-filled and summed boxes are Excel locked and identified by a light coloring of the box. Uncolored boxes can be manually filled. Complete the schedules by filling in the uncolored boxes where appropriate.
7. Some schedules provide for a "balance at beginning of year." The amount shown should agree with the "balance at end of year" as shown in the report for the previous year. If there is a difference, it should be explained by footnote.
8. When there is insufficient space in a schedule to permit a complete statement of the requested information, insert sheets should be prepared and identified by the number of the schedule to which it refers. Be certain that the inserts are securely attached to the report. If inserts are needed, prepare all inserts in one separate electronic file in Microsoft Excel format and file it with the electronic file of this report.
9. This report must cover the calendar year from January 1, 2018, through December 31, 2018. Fiscal year reports will not be accepted.

SCHEDULE A-1a
Account 100.1 - Utility Plant in Service

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	(Retirements) During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1		I. INTANGIBLE PLANT					
2	301	Organization	711	-	-	-	\$ 711
3	302	Franchises and Consents (Schedule A-1c)	101	-	-	-	\$ 101
4	303	Other Intangible Plant	1,169,301	-	-	-	\$ 1,169,301
5		Total Intangible Plant	\$ 1,170,113	\$ -	\$ -	\$ -	\$ 1,170,113
6							
7		II. LANDED CAPITAL					
8	306	Land and Land Rights	\$ 646,904	\$ -	\$ -	\$ -	\$ 646,904
9							
10		III. SOURCE OF SUPPLY PLANT					
11	311	Structures and Improvements	-	-	-	-	\$ -
12	312	Collecting and Impounding Reservoirs	-	-	-	-	\$ -
13	313	Lake, River and Other Intakes	-	-	-	-	\$ -
14	314	Springs and Tunnels	-	-	-	-	\$ -
15	315	Wells	5,236,186	-	-	-	\$ 5,236,186
16	316	Supply Mains	250,167	-	-	-	\$ 250,167
17	317	Other Source of Supply Plant	-	-	-	-	\$ -
18		Total Source of Supply Plant	\$ 5,486,353	\$ -	\$ -	\$ -	\$ 5,486,353
19							
20		IV. PUMPING PLANT					
21	321	Structures and Improvements	442,764	2,649	-	-	\$ 445,413
22	322	Boiler Plant Equipment	-	-	-	-	\$ -
23	323	Other Power Production Equipment	-	-	-	-	\$ -
24	324	Pumping Equipment	3,642,922	105	(6,368)	-	\$ 3,636,659
25	325	Other Pumping Plant	740,619	-	-	-	\$ 740,619
26		Total Pumping Plant	\$ 4,826,305	\$ 2,754	\$ (6,368)	\$ -	\$ 4,822,691
27							
28		V. WATER TREATMENT PLANT					
29	331	Structures and Improvements	95,264	7,260	(100)	-	\$ 102,424
30	332	Water Treatment Equipment	1,343,484	6,590	(10,094)	-	\$ 1,339,980
31		Total Water Treatment Plant	\$ 1,438,748	\$ 13,850	\$ (10,194)	\$ -	\$ 1,442,404

SCHEDULE A-1a
Account 100.1 - Utility Plant in Service (Continued)

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	(Retirements) During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
32		VI. TRANSMISSION AND DIST. PLANT					
33	341	Structures and Improvements	6,899	-	-	-	\$ 6,899
34	342	Reservoirs and Tanks	4,421,716	572,176	-	-	\$ 4,993,892
35	343	Transmission and Distribution Mains	16,877,654	1,652,217	(2,639)	-	\$ 18,527,232
36	344	Fire Mains	13,609	-	-	-	\$ 13,609
37	345	Services	3,800,885	624,080	(22,482)	-	\$ 4,402,483
38	346	Meters	444,015	3,357	(1,761)	-	\$ 445,611
39	347	Meter Installations	-	-	-	-	\$ -
40	348	Hydrants	2,211,411	253,995	-	-	\$ 2,465,406
41	349	Other Transmission and Distribution Plant	-	-	-	-	\$ -
42		Total Transmission and Distribution Plant	\$ 27,776,189	\$ 3,105,825	\$ (26,882)	\$ -	\$ 30,855,132
43							
44		VII. GENERAL PLANT					
45	371	Structures and Improvements	377,954	-	-	-	\$ 377,954
46	372	Office Furniture and Equipment	123,158	-	-	-	\$ 123,158
47	373	Transportation Equipment	470,072	-	-	-	\$ 470,072
48	374	Stores Equipment	-	-	-	-	\$ -
49	375	Laboratory Equipment	-	-	-	-	\$ -
50	376	Communication Equipment	58,191	-	-	-	\$ 58,191
51	377	Power Operated Equipment	265,530	111,293	(48,337)	-	\$ 328,486
52	378	Tools, Shop and Garage Equipment	77,987	1,186	-	-	\$ 79,173
53	379	Other General Plant	-	-	-	-	\$ -
54		Total General Plant	\$ 1,372,892	\$ 112,479	\$ (48,337)	\$ -	\$ 1,437,034
55							
56		VIII. UNDISTRIBUTED ITEMS					
57	390	Other Tangible Property	1,164	-	-	-	\$ 1,164
58	391	Utility Plant Purchased	-	-	-	-	\$ -
59	392	Utility Plant Sold	-	-	-	-	\$ -
60		Total Undistributed Items	\$ 1,164	\$ -	\$ -	\$ -	\$ 1,164
61		Total Utility Plant in Service	\$ 42,718,668	\$ 3,234,908	\$ (91,781)	\$ -	\$ 45,861,795

SCHEDULE A-1b
Account 101 - Recycled Water Utility Plant

Line No.	Acct	Title of Account (a)	Balance Beg of Year (b)	Additions During Year (c)	(Retirements) During Year (d)	Other Debits or (Credits) (e)	Balance End of Year (f)
1	393	Recycled Water Intangible Plant					\$ -
2	394	Recycled Water Land and Land Rights					\$ -
3	395	Recycled Water Depreciable Plant					\$ -
4		Total Recycled Water Utility Plant	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE A-1c
Account 302 - Franchises and Consents

Line No.	Name of Original Grantor (a)	Date of Grant (b)	Term in Years (c)	Date of Acquisition by Utility (d)	Balance End of Year ¹ (e)
1					
2	Refer to Company Schedule A-1b				
3					
4					
5					Total \$ -

¹ The total should agree with the balance at the end of the year in Account 302 in Schedule A-1a Line 3.

**SCHEDULE A-4
DISTRICT RATE BASE AND WORKING CASH**

Line No.	Acct.	Title of Account (a)	Balance 12/31/2018 (b)	Balance 1/1/2018 (c)
RATE BASE				
1		Utility Plant		
2		Plant in Service	45,861,797	42,718,670
3		Construction Work in Progress	4,485,681	2,879,494
4		General Office Prorate	-	-
5		Total Gross Plant (=Line 2 + Line 3 + Line 4)	\$ 50,347,478	\$ 45,598,164
6		Less Accumulated Depreciation		
7		Plant in Service	11,317,373	10,436,747
8		General Office Prorate		-
9		Total Accumulated Depreciation (=Line 7 + Line 8)	\$ 11,317,373	\$ 10,436,747
10		Less Other Reserves		
11		Deferred Income Taxes	6,394,365	6,496,749
12		Deferred Investment Tax Credit	11,428	13,660
13		Other Reserves	1,280	1,280
14		Total Other Reserves (=Line 11 + Line 12 + Line 13)	\$ 6,407,073	\$ 6,511,689
15		Less Adjustments		
16		Contributions in Aid of Construction	1,300,308	1,277,301
17		Advances for Construction	221,107	230,223
18		Other		
19		Total Adjustments (=Line 16 + Line 17 + Line 18)	\$ 1,521,416	\$ 1,507,524
20		Add Materials and Supplies	82,876	90,140
21		Add Working Cash (=Line 34)	9,548	9,548
22		Add General Office, Regions, District Office and CSA allocation	284,685	295,708
23		TOTAL DISTRICT RATE BASE		
24		(=Line 5 - Line 9 - Line 14 - Line 19 + Line 20 + Line 21 + Line 22)	\$ 31,478,726	\$ 27,537,601
Working Cash				
24		Determination of Operational Cash Requirement		
25		Operating Expenses, Excluding Taxes, Depreciation & Uncollectible		
26		Purchased Power & Commodity for Resale*		
27		Meter Revenues: Bimonthly Billing		
28		Other Revenues: Flat Rate Monthly Billing		
29		Total Revenues (=Line 27 + Line 28)		
30		Ratio - Flat Rate to Total Revenues (=Line 28 / Line 29)		
31		5/24 x Line 25 x (100% - Line 30)		
32		1/24 x Line 25 x Line 30		
33		1/12 x Line 26		
34		Operational Cash Requirement ("See attached schedule")	\$ 9,548	\$ 9,548
		* Electric power, gas or other fuel purchased for pumping and/or purchased commodity for resale billed after receipt (metered).		

**GOLDEN STATE WATER COMPANY
Region 3 Customer Service Areas**

**DEVELOPMENT OF AVERAGE LAG IN PAYMENT OF EXPENSES AND
TAXES AND ACCRUING DEPRECIATION**

CPUC WUDF ACCOUNT	(a) DESCRIPTION	(b)	(c)	(d)
		2016 PROPOSED (\$000's)	AVG. NO. OF DAYS LAG	THOUSAND DOLLAR-DAYS LAG
	OPERATING EXPENSES:			
1 70400	PURCHASED WATER	13,334.5	69.3	923,660.0
2 72600	POWER FOR PUMPING	3,695.9	45.7	168,765.8
3 73500	PUMP TAXES	8,850.0	109.4	968,418.2
4 74400	CHEMICALS	1,221.8	56.8	69,454.8
5 77300	COMMON CUSTOMER ACCOUNT	2,619.3	25.0	65,524.4
6 77325	POSTAGE	0.0	0.0	0.0
7 77500	UNCOLLECTIBLES	330.8	0.0	0.0
8 78000	OPERATION LABOR	3,720.8	12.5	46,510.1
9 78100	ALL OTHER OPERATION EXPENSES	1,482.6	55.4	82,138.4
10 78700	MAINTENANCE LABOR	1,832.1	12.5	22,901.4
11 78800	ALL OTHER MAINTENANCE EXPENSES	6,260.6	65.6	410,598.5
12 79200	OFFICE SUPPLIES AND EXPENSE	600.5	38.2	22,925.2
13 79300	PROPERTY INSURANCE	0.0	0.0	0.0
14 79400	INJURIES AND DAMAGES	541.3	(165.1)	(89,362.2)
15 79500	PENSIONS AND BENEFITS	2,457.1	(1.8)	(4,422.8)
16 79600	BUSINESS MEALS	8.3	28.4	236.9
17 79700	REGULATORY COMMISSION	0.0	7.5	0.0
18 79800	OUTSIDE SERVICES	153.1	52.7	8,067.7
19 79900	MISCELLANEOUS	11.7	13.7	160.1
20 79910	ALLOCATED GENERAL OFFICE	17,197.7	6.1	104,356.1
21 80500	ALL OTHER MAINTENANCE GENERAL PLANT	156.0	62.4	9,740.1
22 81100	RENT	220.7	(17.8)	(3,937.9)
23 81500	A&G LABOR	1,358.8	12.5	16,984.6
24 50300	DEPRECIATION AND AMORTIZATION	12,720.5	0.0	0.0
25 50710	PROPERTY TAXES	2,852.7	40.0	114,109.2
26 50720	PAYROLL TAXES	576.9	13.5	7,788.1
27 50730	LOCAL TAXES	1,146.3	182.5	209,204.2
28	STATE INCOME TAX	2,275.2	96.0	218,416.7
29	FEDERAL INCOME TAX	7,703.1	106.0	816,530.0
30	TOTAL OPERATING EXPENSES	93,328.5		4,188,767.4
31	AVERAGE LAG ----->			44.88

**AVERAGE AMOUNT OF CASH REQUIRED AS A RESULT OF
PAYING EXPENSES, TAXES AND ACCRUING DEPRECIATION
IN ADVANCE OF COLLECTING REVENUES
(\$ in Thousands)**

32	(1) Average Lag in Collection of Revenues	46.41 days
33	(2) Average Lag in Payment of Expenses, Taxes and Accruing Depreciation	44.88 days
34	(3) Excess of Collection Lag over Payment Lag	1.53 days
35	(4) Total of Expenses, Taxes and Depreciation	\$93,328.5
36	(5) Daily Total of Expenses, Taxes and Depreciation	\$255.7
37	(6) Average Amount of Working Cash Capital Required as a Result of Paying Exp., Taxes and Depreciation in Advance of Collecting Revenues	<u>\$391.3</u>

NOTE: Schedule incorporate dollars (Accounts 793.00 Property Insurance, 794.00 Injuries and Damages, and 795.00 Pension & Benefits) for Working Cash calculation - Dollars were used expressly for working cash calculation.

DISTRICT WORKING CASH ALLOCATION	
Orange County	171
Claremont	58
San Dimas	65
San Gabriel Valley	39
Barstow	35
Calipatria	5
Desert	9
Wrightwood	9
Total Region III	391

SCHEDULE A-5
Accounts 250, 251, 252, 253, 259 - Depreciation and Amortization Reserves

Line No.	Item (a)	Account 250 Utility Plant (b)	Account 251 Limited-Term Utility Investments (c)	Account 252 Utility Plant Acquisition Adjustments (d)	Account 253 Other Property (e)	Account 259 Recycled Water Utility Plant (f)
1	Balance in reserves at beginning of year	9,511,885	924,859			
2	Add: Credits to reserves during year					
3	(a) Charged to Account 503	890,164	93,484			
4	(b) Charged to Account 504	-	-			
5	(c) Charged to Account 505	-	-			
6	(d) Charged to Account 265	36,099	-			
7	(e) Charged to clearing accounts	9,072	-			
8	(f) Salvage recovered	-	-			
9	(g) All other credits ¹	-	-			
10	Total credits	\$ 935,335	\$ 93,484	\$ -	\$ -	\$ -
11	Deduct: Debits to reserves during year					
12	(a) Book cost of property retired	(91,781)	-			
13	(b) Cost of removal	(56,409)	-			
14	(c) All other debits ¹	-	-			
15	Total debits	\$ (148,190)	\$ -	\$ -	\$ -	\$ -
16	Balance in reserve at end of year	\$ 10,299,030	\$ 1,018,343	\$ -	\$ -	\$ -
17						
18	State method of determining depreciation charges.			Composite Rate		
19						
20						
21						
22						
23	Report the depreciation claimed in your Federal Income Tax Return for the year - \$					NOT AVAILABLE BY DISTRICT
24						
25	1/ General reclassifications and rate base adjustments					
26						
27						
28						
29						
30						
31						
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34						
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39						
40						
41						
42						
43						
44						

SCHEDULE A-5a

Account 250 - Analysis of Entries in Depreciation Reserve

(This schedule is to be completed if records are maintained showing depreciation reserve by plant accounts)

Line No.	Acct.	DEPRECIABLE PLANT (a)	Balance Beginning of Year (b)	Credits to Reserve During Year Excl. Salvage (c)	Debits to Reserves During Year Excl. Cost Removal (d)	Salvage and Cost of Removal Net (Dr.) or Cr. (e)	Balance End of Year (f)
1		I. SOURCE OF SUPPLY PLANT					
2	311	Structures and Improvements	-	-	-	-	\$ -
3	312	Collecting and Impounding Reservoirs	-	-	-	-	\$ -
4	313	Lake, river and Other Intakes	-	-	-	-	\$ -
5	314	Springs and Tunnels	-	-	-	-	\$ -
6	315	Wells	(1,755,069)	(150,279)	-	-	\$ (1,905,348)
7	316	Supply Mains	(30,133)	(6,804)	-	-	\$ (36,937)
8	317	Other Source of Supply Plant	-	-	-	-	\$ -
9		Total Source of Supply Plant	\$ (1,785,202)	\$ (157,083)	\$ -	\$ -	\$ (1,942,285)
10							
11		II. PUMPING PLANT					
12	321	Structures and Improvements	(149,977)	(12,124)	-	100	\$ (162,001)
13	322	Boiler Plant Equipment	-	-	-	-	\$ -
14	323	Other Power Production Equipment	-	-	-	-	\$ -
15	324	Pumping Equipment	(1,423,989)	(124,117)	6,368	300	\$ (1,541,438)
16	325	Other Pumping Plant	(153,459)	(28,662)	-	-	\$ (182,121)
17		Total Pumping Plant	\$ (1,727,425)	\$ (164,903)	\$ 6,368	\$ 400	\$ (1,885,560)
18							
19		III. WATER TREATMENT PLANT					
20	331	Structures and Improvements	(60,300)	(3,262)	100	500	\$ (62,962)
21	332	Water Treatment Equipment	(410,267)	(46,424)	10,094	100	\$ (446,497)
22		Total Water Treatment Plant	\$ (470,567)	\$ (49,686)	\$ 10,194	\$ 600	\$ (509,459)
23							
24		IV. TRANS. AND DIST. PLANT					
25	341	Structures and Improvements	(4,883)	(291)	-	-	\$ (5,174)
26	342	Reservoirs and Tanks	(636,394)	(73,442)	-	-	\$ (709,836)
27	343	Transmission and Distribution Mains	(3,226,983)	(304,482)	2,639	6,562	\$ (3,522,264)
28	344	Fire Mains	(1,688)	(284)	-	-	\$ (1,972)
29	345	Services	(261,173)	(82,444)	22,482	47,115	\$ (274,020)
30	346	Meters	(317,839)	(25,399)	1,761	76	\$ (341,401)
31	347	Meter Installations	-	-	-	-	\$ -
32	348	Hydrants	(376,790)	(47,704)	-	1,656	\$ (422,838)
33	349	Other Transmission and Distribution Plant	-	-	-	-	\$ -
34		Total Transmission and Distribution Plant	\$ (4,825,750)	\$ (534,046)	\$ 26,882	\$ 55,409	\$ (5,277,505)
35							
36		V. GENERAL PLANT					
37	371	Structures and Improvements	(47,437)	(5,858)	-	-	\$ (53,295)
38	372	Office Furniture and Equipment	(77,913)	(8,537)	-	-	\$ (86,450)
39	373	Transportation Equipment	(311,812)	(9,072)	-	-	\$ (320,884)
40	374	Stores Equipment	-	-	-	-	\$ -
41	375	Laboratory Equipment	-	-	-	-	\$ -
42	376	Communication Equipment	(18,065)	-	-	-	\$ (18,065)
43	377	Power Operated Equipment	(191,914)	(2,732)	48,337	-	\$ (146,309)
44	378	Tools, Shop and Garage Equipment	(55,252)	(3,403)	-	-	\$ (58,655)
45	379	Other General Plant	-	-	-	-	\$ -
46	390	Other Tangible Property	(548)	(15)	-	-	\$ (563)
47	391	Water Plant Purchased	-	-	-	-	\$ -
48		Total General Plant	\$ (702,941)	\$ (29,617)	\$ 48,337	\$ -	\$ (684,221)
49		Total	\$ (9,511,885)	\$ (935,335)	\$ 91,781	\$ 56,409	\$ (10,299,030)

SCHEDULE B-1
Account 501 - Operating Revenues

Line No.	Acct.	ACCOUNT (a)	Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
1		I. WATER SERVICE REVENUES			
2	601	Metered Sales to General Customers			
3		601-1.1 Residential Sales (2)	2,371,102	2,312,086	\$ 59,016
4		601-1.2 Metered Sales Low Income Discount (Debit)	(182,761)	(147,491)	\$ (35,270)
5		601-1.2 Metered Sales Low Income Balancing Account (Credit)	187,589	151,026	\$ 36,563
6		601-2 Commercial Sales (2)	330,789	351,946	\$ (21,157)
7		601-3 Industrial Sales	-	-	\$ -
8		601-4 Sales to Public Authorities	27,857	25,728	\$ 2,129
9		Sub-total	\$ 2,734,576	\$ 2,693,295	\$ 41,281
10	602	Unmetered Sales to General Customers			
11		602-1.1 Unmetered Sales including Commercial Sales	3,141	3,034	\$ 107
12		602-1.2 Unmetered Sales Low Income Discount (Debit)	-	-	\$ -
13		602-1.2 Unmetered Sales Low Income Balancing Account (Credit)	-	-	\$ -
14		602-2 Commercial Sales	-	-	\$ -
15		602-3 Industrial Sales	-	-	\$ -
16		602-4 Sales to Public Authorities	-	-	\$ -
17		Sub-total	\$ 3,141	\$ 3,034	\$ 107
18	603	Sales to Irrigation Customers			
19		603.1 Metered sales	1,578	-	\$ 1,578
20		603.2 Flat Rate Sales	-	-	\$ -
21		Sub-total	\$ 1,578	\$ -	\$ 1,578
22	604	Private Fire Protection Service	4,168	3,858	\$ 310
23	605	Public Fire Protection Service	-	-	\$ -
24	606	Sales to Other Water Utilities for Resale	3,016	2,120	\$ 896
25	607	Sales to Governmental Agencies by Contracts	-	-	\$ -
26	608	Interdepartmental Sales	-	-	\$ -
27	609	Other Sales or Service (3)	(7,067)	(8,309)	\$ 1,242
28		Sub-total	\$ 117	\$ (2,331)	\$ 2,448
29		Total Water Service Revenues	\$ 2,739,412	\$ 2,693,998	\$ 45,414
30		II. OTHER WATER REVENUES			
31	610	Customer Surcharges (1)	7,964	30,700	\$ (22,736)
32	611	Miscellaneous Service Revenues	19,820	20,590	\$ (770)
33	612	Rent from Water Property	5,110	3,411	\$ 1,699
34	613	Interdepartmental Rents	-	-	\$ -
35	614	Other Water Revenues	(4,735)	24,318	\$ (29,053)
36	615	Recycled Water Revenues	-	-	\$ -
37		Total Other Water Revenues	\$ 28,159	\$ 79,019	\$ (50,860)
38	501	Total operating revenues	\$ 2,767,571	\$ 2,773,017	\$ (5,446)

(1) Customer surcharges increase both revenues and operating expenses by corresponding amounts, thus having no net earnings impact.

(2) Region III WRAM, in its entirety, is included in Orange County operating revenues.

(3) On December 22, 2017, the Tax Act was signed into federal law. The provisions of this major tax reform were generally effective January 1, 2018. The most significant provisions of the Tax Act impacting GSWC are the reduction of the federal corporate income tax rate from 35% to 21% and the elimination of bonus depreciation for regulated utilities. Pursuant to a CPUC directive, the 2018 impact of the Tax Act on the water segment's adopted revenue requirement was tracked in a memorandum account effective January 1, 2018. Tax Act adjustments, in their entirety, are included in Orange County operating revenues. Region III includes the following districts: Barstow, Calipatria Niland, Claremont, Desert, Orange County, San Dimas, San Gabriel Valley and Wrightwood.

SCHEDULE B-2
Account 502 - Operating Expenses - For Class A, B, and C Water Utilities

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
			A	B	C			
1		I. SOURCE OF SUPPLY EXPENSE						
2		Operation						
3	701	Operation supervision and engineering	A	B		876	1,016	\$ (140)
4	701	Operation supervision, labor and expenses			C			\$ -
5	702	Operation labor and expenses	A	B		-	47	\$ (47)
6	703	Miscellaneous expenses	A			152	2,252	\$ (2,100)
7	704	Purchased water including MCBA/supply cost balancing accounts (1)	A	B	C	20,167	9,480	\$ 10,687
8		Maintenance						
9	706	Maintenance supervision and engineering	A	B		2,623	29	\$ 2,594
10	706	Maintenance of structures and facilities			C			\$ -
11	707	Maintenance of structures and improvements	A	B		1	2,403	\$ (2,402)
12	708	Maintenance of collect and impound reservoirs	A			303	664	\$ (361)
13	708	Maintenance of source of supply facilities		B				\$ -
14	709	Maintenance of lake, river and other intakes	A			27	-	\$ 27
15	710	Maintenance of springs and tunnels	A			-	-	\$ -
16	711	Maintenance of wells	A			1,404	6,651	\$ (5,247)
17	712	Maintenance of supply mains	A			186	-	\$ 186
18	713	Maintenance of other source of supply plant	A	B		-	109	\$ (109)
19		Total source of supply expense				\$ 25,739	\$ 22,651	\$ 3,088
20		II. PUMPING EXPENSES						
21		Operation						
22	721	Operation supervision and engineering	A	B		9,328	23,328	\$ (14,000)
23	721	Operation supervision labor and expense			C			\$ -
24	722	Power production labor and expenses	A			-	-	\$ -
25	722	Power production labor, expenses and fuel		B				\$ -
26	723	Fuel for power production	A			-	-	\$ -
27	724	Pumping labor and expenses	A	B		136,848	129,473	\$ 7,375
28	725	Miscellaneous expenses	A			26,368	40,768	\$ (14,400)
29	726	Fuel or power purchased for pumping	A	B	C	170,321	155,205	\$ 15,116
30		Maintenance						
31	729	Maintenance supervision and engineering	A	B		-	-	\$ -
32	729	Maintenance of structures and equipment			C			\$ -
33	730	Maintenance of structures and improvements	A	B		1,146	24,646	\$ (23,500)
34	731	Maintenance of power production equipment	A	B		-	-	\$ -
35	732	Maintenance of power pumping equipment	A	B		64,524	141,678	\$ (77,154)
36	733	Maintenance of other pumping plant	A	B		-	-	\$ -
37		Total pumping expenses				\$ 408,535	\$ 515,098	\$ (106,563)

(1) Region III MCBA, in it's entirety, is included in Orange County operating expenses. Region III includes the following districts: Barstow, Calipatria Niland, Claremont, Desert, Orange County, San Dimas, San Gabriel Valley and Wrightwood.

SCHEDULE B-2

Account 502 - Operating Expenses - For Class A, B, and C Water Utilities (Continued)

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
			A	B	C			
38		III. WATER TREATMENT EXPENSES						
39		Operation						
40	741	Operation supervision and engineering	A	B		-	-	\$ -
41	741	Operation supervision, labor and expenses			C			\$ -
42	742	Operation labor and expenses	A			68,483	98,398	\$ (29,915)
43	743	Miscellaneous expenses	A	B		2,294	4,616	\$ (2,322)
44	744	Chemicals and filtering materials	A	B		13,065	14,622	\$ (1,557)
45		Maintenance						
46	746	Maintenance supervision and engineering	A	B		93	4,236	\$ (4,143)
47	746	Maintenance of structures and equipment			C			\$ -
48	747	Maintenance of structures and improvements	A	B		141,501	120,377	\$ 21,124
49	748	Maintenance of water treatment equipment	A	B		10,616	29,092	\$ (18,476)
50		Total water treatment expenses				\$ 236,052	\$ 271,341	\$ (35,289)
51		IV. TRANS. AND DIST. EXPENSES						
52		Operation						
53	751	Operation supervision and engineering	A	B		9,639	23,981	\$ (14,342)
54	751	Operation supervision, labor and expenses			C			\$ -
55	752	Storage facilities expenses	A			539	179	\$ 360
56	752	Operation labor and expenses		B				\$ -
57	753	Transmission and distribution lines expenses	A			3,755	5,415	\$ (1,660)
58	754	Meter expenses	A			5,167	5,770	\$ (603)
59	755	Customer installations expenses	A			3,324	3,793	\$ (469)
60	756	Miscellaneous expenses	A			155,158	145,533	\$ 9,625
61		Maintenance						
62	758	Maintenance supervision and engineering	A	B		13,472	11,783	\$ 1,689
63	758	Maintenance of structures and plant			C			\$ -
64	759	Maintenance of structures and improvements	A	B		-	-	\$ -
65	760	Maintenance of reservoirs and tanks	A	B		1,337	857	\$ 480
66	761	Maintenance of trans. and distribution mains	A			180,986	127,735	\$ 53,251
67	761	Maintenance of mains		B				\$ -
68	762	Maintenance of fire mains	A			-	-	\$ -
69	763	Maintenance of services	A			81,234	43,784	\$ 37,450
70	763	Maintenance of other trans. and distribution plant		B				\$ -
71	764	Maintenance of meters	A			8,762	21,799	\$ (13,037)
72	765	Maintenance of hydrants	A			4,921	12,478	\$ (7,557)
73	766	Maintenance of miscellaneous plant	A			-	-	\$ -
74		Total transmission and distribution expenses				\$ 468,294	\$ 403,107	\$ 65,187

SCHEDULE B-2

Account 502 - Operating Expenses - For Class A, B, and C Water Utilities (Continued)

Respondent should use the group of accounts applicable to its class

Line No.	Acct.	Account (a)	Class			Amount Current Year (b)	Amount Preceding Year (c)	Net Change During Year Show Decrease in (Parenthesis) (d)
			A	B	C			
75		V. CUSTOMER ACCOUNT EXPENSES						
76		Operation						
77	790	Transferred Customer Expenses				32,935	33,099	\$ (164)
78	771	Supervision	A	B		-	-	\$ -
79	771	Superv., meter read., other customer acct expenses			C			\$ -
80	772	Meter reading expenses	A	B		27,526	26,456	\$ 1,070
81	773	Customer records and collection expenses	A			92,279	43,907	\$ 48,372
82	773	Customer records and accounts expenses		B				\$ -
83	774	Miscellaneous customer accounts expenses	A			26,777	56,998	\$ (30,221)
84	775	Uncollectible accounts	A	B	C	6,390	5,506	\$ 884
85		Total customer account expenses				\$ 185,907	\$ 165,966	\$ 19,941
86		VI. SALES EXPENSES						
87		Operation						
88	781	Supervision	A	B		-	-	\$ -
89	781	Sales expenses			C			\$ -
90	782	Demonstrating selling expenses	A			215	532	\$ (317)
91	783	Advertising expenses	A			232	60	\$ 172
92	784	Miscellaneous, jobbing and contract work	A			-	-	\$ -
93	785	Merchandising, jobbing and contract work	A			-	-	\$ -
94		Total sales expenses				\$ 447	\$ 592	\$ (145)
95		VII. RECYCLED WATER EXPENSES						
96		Operation and Maintenance						
97	786	Recycled water operation and maint. expenses				-	-	\$ -
98		Total recycled water expenses				\$ -	\$ -	\$ -
99		VIII. ADMIN. AND GENERAL EXPENSES						
100		Operation						
101	790	Allocation of A&G Expenses				495,903	465,474	\$ 30,429
102	791	Administrative and general salaries	A	B	C	33,896	111,349	\$ (77,453)
103	792	Office supplies and other expenses	A	B	C	84,074	95,864	\$ (11,790)
104	793	Property insurance	A			-	-	\$ -
105	793	Property insurance, injuries and damages		B	C			\$ -
106	794	Injuries and damages	A			18,315	13,498	\$ 4,817
107	795	Employees' pensions and benefits	A	B	C	203,669	355,943	\$ (152,274)
108	796	Franchise requirements	A	B	C	445	435	\$ 10
109	797	Regulatory commission expenses	A	B	C	-	-	\$ -
110	798	Outside services employed	A			5,618	6,213	\$ (595)
111	798	Miscellaneous other general expenses		B				\$ -
112	798	Miscellaneous other general operation expenses			C			\$ -
113	799	Miscellaneous general expenses	A			555	360	\$ 195
114		Maintenance						
115	805	Maintenance of general plant	A	B	C	3,995	21,469	\$ (17,474)
116		Total administrative and general expenses				\$ 846,470	\$ 1,070,605	\$ (224,135)
117		XI. MISCELLANEOUS						
118	810	Customer Surcharges (1)				7,964	30,700	\$ (22,736)
119	811	Rents	A	B	C	44,223	43,970	\$ 253
120	812	Administrative expenses transferred - Cr.	A	B	C	-	-	\$ -
121	813	Duplicate charges - Cr.	A	B	C	-	-	\$ -
122		Total miscellaneous				\$ 52,187	\$ 74,670	\$ (22,483)
123		Total operating expenses				\$ 2,223,631	\$ 2,524,030	\$ (300,399)

(1) Customer surcharges increase both revenues and operating expenses by corresponding amounts, thus having no net earnings impact.

SCHEDULE B-4
Account 507 - Taxes Charged During Year

Line No.	Kind of Tax (a)	Total Taxes Charged During Year (b)	DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)			
			Water (Account 507) (c)	Nonutility (Account 521) (d)	Other (Account ----) (e)	Capitalized (Omit Account) (f)
1	Federal corporate income taxes ("FIT")	\$ (342,438)	(342,438)			
2	CA corp franchise taxes ("CCFT")(current)	\$ (137,709)	(137,709)			
3	Property taxes	\$ 208,039	208,039			
4	Other taxes (details below):	\$ -	-			
5	FIT(deferred)	\$ 125,121	125,121			
6	Amortization of ITC (Option 1)	\$ -	-			
7	CCFT(deferred)	\$ 25,139	25,139			
8	Payroll taxes	\$ 39,557	39,557			
9	Franchise taxes including licenses & filing fees	\$ 30,321	30,321			
10	Groundwater production assessments (pump taxes)	\$ 3,752	3,752			
11		\$ -				
12		\$ -				
13		\$ -				
14	Total	\$ (48,218)	\$ (48,218)	\$ -	\$ -	\$ -

**SCHEDULE D-1
Sources of Supply and Water Developed**

STREAMS				FLOW IN(unit) ²				Annual Quantities Diverted(Unit) ²	Remarks
Line No.	Diverted into*	From Stream or Creek (Name)	Location of Diversion Point	Priority Right		Diversions			
				Claim	Capacity	Max.	Min.		
1								"None"	
2									
3									
4									
5									

WELLS							Annual Quantities Pumped(Unit) ²	Remarks
Line No.	At Plant (Name or Number)	Location	Number	Dimensions	¹ Depth to Water	Pumping Capacity(Unit) ²		
							6	"REFER TO ATTACHED SCHEDULE"
7								
8								
9								
10								

TUNNELS AND SPRINGS				FLOW IN(Unit) ²		Annual Quantities Used(Unit) ²	Remarks
Line No.	Designation	Location	Number	Maximum	Minimum		
				11			
12							
13							
14							
15							

Purchased Water for Resale			
16	Purchased from	Apple Valley Ranchos Water Co.	
17	Annual quantities purchased	1,156	(Unit chosen) ² CCF
18			
19			

* State ditch, pipe line, reservoir, etc., with name, if any.
¹ Average depth to water surface below ground surface.
² The quantity unit in established use for expressing water stored and used in large amounts is the acre foot, which equals 42,560 cubic feet: in domestic use the thousand gallon or the hundred cubic feet. The rate of flow or discharge in larger amounts is expressed in cubic feet per second, in gallons per minute, in gallons per day, or in the miner's inch. Please be careful to state the unit used.

**SCHEDULE D-2
Description of Storage Facilities**

Line No.	Type	Number	Combined Capacity (Gallons or Acre Feet)	Remarks
1	A. Collecting reservoirs			"REFER TO ATTACHED SCHEDULE"
2	Concrete			
3	Earth			
4	Wood			
5	B. Distribution reservoirs			
6	Concrete			
7	Earth			
8	Wood			
9	C. Tanks			
10	Wood			
11	Metal			
12	Concrete			
13	Total	-	-	

Golden State Water Company
Desert
Schedule D-1 - Wells Attachment

RMA	System	Well	Depth to Water	2018		Well Diam (in)	Design Flow (gpm)	Remarks
				Prod (AF)	(ft)			
Desert	Morongo del Norte	Bella Vista Well 1	170	28	350	12	100	
Desert	Morongo del Norte	Elm Well 24	168	0	272	14		Out of Service
Desert	Morongo del Norte	Highway Well 3	142	27	200	10	100	
Desert	Morongo del Sur	Vale Well 2	33	226	590	12	300	
Desert	Morongo del Sur	Yeager Well 2	13	0	400	12	300	
Desert	Morongo del Sur	Yeager Well 3	13	1	405	12	300	
Desert	Apple Valley South	Bear Valley Well 2	197	0	280	12	300	
Desert	Apple Valley South	Mohawk Well 2	236	394	585	16	900	
Desert	Apple Valley South	Mohawk Well 3A	233	216	494	16	600	
Desert	Desert View	Desert View Well 1	314	7	427	10	80	
Desert	Desert View	Desert View Well 2	315	9	440	8	80	
Desert	Apple Valley North	Central Wells Well 2	209	201	292	12	250	
Desert	Apple Valley North	Papago Well 1	243	55	310	14	200	
Desert	Lucerne Valley	Emerald Well 1	560	81	858	12	250	
Desert	Lucerne Valley	Meb Well 1		0	480	10		Out of Service
Desert	Lucerne Valley	Pawnee Well 1			Unk	Unk		Out of Service
Desert	Lucerne Valley	Sutter Well 7	192	6	403	12	200	
Desert	Lucerne Valley	Topaz Well 1	337	13	515	16	150	

Golden State Water Company
Desert
Schedule D-2 - Reservoirs Attachment

RMA	System	Reservoir	Volume (MG)	Type	Material	Remarks
Desert	Morongo del Norte	Navajo Reservoir	0.31	Elev. Resv	Steel	
Desert	Morongo del Sur	Hilltop Reservoir	0.083	Elev. Resv	Steel	
Desert	Morongo del Sur	Maccele Reservoir	0.250	Elev. Resv	Steel	
Desert	Morongo del Sur	Mojave Reservoir	0.100	Elev. Resv	Steel	
Desert	Morongo del Sur	Pinon Forebay	0.022	Elev. Resv	Steel	
Desert	Apple Valley South	Anoka Reservoir	0.50	Ground	Steel	
Desert	Apple Valley South	Mohawk Reservoir	0.30	Ground	Steel	
Desert	Apple Valley North	Central Tanks NW Reservoir	0.042	Elev. Resv	Steel	
Desert	Apple Valley North	Central Tanks SE Reservoir	0.050	Elev. Resv	Steel	
Desert	Apple Valley North	Valley Crest Reservoir	0.500	Elev. Resv	Steel	
Desert	Lucerne Valley	Emerald Reservoir	0.50	Elevated	Steel	
Desert	Lucerne Valley	Meb Forebay	0.042	Forebay	Steel	Out of Service

SCHEDULE D-3

Description of Transmission and Distribution Facilities

A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES
Capacities in Cubic Feet Per Second or Miner's Inches (State Which) _____

Line No.		0 to 5	6 to 10	11 to 20	21 to 30	31 to 40	41 to 50	51 to 75	76 to 100
1	Ditch								
2	Flume								
3	Lined conduit								
4									
5	Total	-	-	-	-	-	-	-	-

A. LENGTH OF DITCHES, FLUMES AND LINED CONDUITS IN MILES FOR VARIOUS CAPACITIES - Continued
Capacities in Cubic Feet Per Second or Miner's Inches (State Which) _____

Line No.		101 to 200	201 to 300	301 to 400	401 to 500	501 to 750	751 to 1000	Over 1000	Total All Lengths
6	Ditch								-
7	Flume								-
8	Lined conduit								-
9									
10	Total	-	-	-	-	-	-	-	-

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING

Line No.		1	2	2 1/2	3	4	5	6	8	10
11	Cast Iron	-	-	-	-	-	-	243	3,000	-
12	Cement Lined Steel	-	-	-	-	-	-	-	-	-
13	Concrete	-	-	-	-	-	-	-	-	-
14	Copper	-	-	-	-	-	-	-	-	-
15	Steel	510	5,705	-	3,644	51,451	3,299	13,955	7,113	627
16	Asbestos Cement	-	-	-	-	31,716	-	86,876	8,439	2,633
17	Ductile Iron	-	-	-	-	-	-	-	758	-
18	HDPE	-	-	-	-	-	-	-	-	-
19	PVC	-	503	-	-	1,317	-	13,820	243,149	4,172
20										
21										
22	Total	510	6,208	-	3,644	84,484	3,299	114,894	262,459	7,432

B. FOOTAGES OF PIPE BY INSIDE DIAMETERS IN INCHES - NOT INCLUDING SERVICE PIPING - Continued

Line No.		12	14	16	18	20	24	Other Sizes (Specify Sizes)		Total All Sizes
								22/30		
23	Cast Iron	-	-	-	-	-	-	-	-	3,243
24	Cement Lined Steel	-	-	-	-	-	-	-	-	-
25	Concrete	-	-	-	-	-	-	-	-	-
26	Copper	-	-	-	-	-	-	-	-	-
27	Steel	-	-	-	-	-	-	-	-	86,304
28	Asbestos Cement	-	-	-	-	-	-	-	-	129,664
29	Ductile Iron	-	-	-	-	-	-	-	-	758
30	HDPE	-	-	-	-	-	-	-	-	-
31	PVC	42,797	-	-	-	-	-	-	-	305,758
32										
33										
34	Total	42,797	-	-	-	-	-	-	-	525,727

**SCHEDULE D-4
Number of Active Service Connections**

Classification	Metered - Dec 31		Flat Rate - Dec 31	
	Prior Year	Current Year	Prior Year	Current Year
Residential	3,807	3,831	4	4
Commercial	120	129	-	-
Industrial	-	-	-	-
Public authorities	9	9	-	-
Irrigation	-	1	-	-
Other	1	1	-	-
Contract	-	-	-	-
Subtotal	3,937	3,971	4	4
Private fire connections	-	-	10	10
Public fire hydrants	-	-	-	-
Total *	3,937	3,971	14	14

* Data run as of 1/3/2018 and 1/2/2019, respectively.

**SCHEDULE D-5
Number of Meters and Services on
Pipe Systems at End of Year**

Size	Meters	Active Service Connections
5/8 x 3/4 - in	3,750	
3/4 - in	-	1,675
1 - in	280	2,265
1 1/2 - in	3	2
2 - in	14	18
3 - in	7	5
4 - in	1	5
6 - in	-	7
8 - in	-	6
Other	-	2
Total *	4,055	3,985

* Data run as of 1/2/2019

**SCHEDULE D-6
Meter Testing Data**

A. Number of Meters Tested During Year as Prescribed in Section VI of General Order No. 103:	
1. New, after being received . . .	103
2. Used, before repair	84
3. Used, after repair	-
4. Found fast, requiring billing adjustment	-
B. Number of Meters in Service Since Last Test	
1. Ten years or less	1,846
2. More than 10, but less than 15 years	1,852
3. More than 15 years	357

SCHEDULE D-7

Water Delivered to Metered Customers by Months and Years in _____ CCF _____ (Unit Chosen)¹

Classification of Service	During Current Year							Subtotal
	January	February	March	April	May	June	July	
Residential	27,078	27,328	24,660	29,646	33,616	42,337	44,409	229,074
Commercial	4,824	3,936	3,254	4,674	5,303	5,905	7,885	35,781
Industrial	-	-	-	-	-	-	-	-
Public authorities	170	250	282	447	378	399	517	2,443
Irrigation	-	28	30	31	30	60	-	179
Other	9	195	54	8	9	9	15	299
Contract	-	-	-	-	-	-	-	-
Total	32,081	31,737	28,280	34,806	39,336	48,710	52,826	267,776

Classification of Service	During Current Year						Subtotal	Total	Total Prior Year
	August	September	October	November	December				
Residential	51,738	38,188	35,135	31,816	26,716	183,593	412,667	411,855	
Commercial	7,629	5,644	4,717	4,786	3,025	25,801	61,582	68,671	
Industrial	-	-	-	-	-	-	-	-	
Public authorities	539	405	371	296	339	1,950	4,393	3,940	
Irrigation	74	-	-	-	-	74	253	-	
Other	16	14	9	4	3	46	345	323	
Contract	-	-	-	-	-	-	-	-	
Total	59,996	44,251	40,232	36,902	30,083	211,464	479,240	484,789	

¹ Quantity units to be in hundreds of cubic feet, thousands of gallons, acre-feet, or miner's inch-days.

Total acres irrigated _____

Total population served _____ 16,847 *

* Assumes 4.2275 per household.

End of Year Balances in Selected Accounts

Indicate the end of year balances shown in the district's accounting records for the following accounts:

131	Materials and Supplies	\$	<u><u>82,876</u></u>
100-3	Construction Work in Progress	\$	<u><u>4,485,681</u></u>
241	Advances for Construction	\$	<u><u>221,107</u></u>
265	Contributions in Aid of Construction	\$	<u><u>1,300,308</u></u>

DECLARATION

(PLEASE VERIFY THAT ALL SCHEDULES ARE ACCURATE AND COMPLETE BEFORE SIGNING)

I, the undersigned Gladys Farrow
Name of District Manager or Equivalent (Please Print)

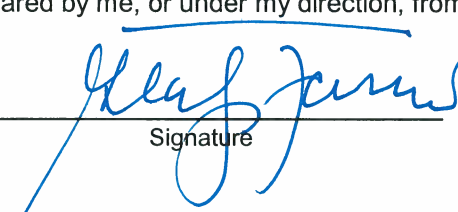
of Desert District
Name of District

of Golden State Water Company
Name of Utility

at 13608 Hitt Road, Apple Valley, CA 92308
Address of District Office

under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the

Vice President - Finance, Treasurer and
Assistant Secretary
Title (Please Print)


Signature

909 394-3600
Telephone Number

May 10, 2019
Date

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