ANNUAL REPORT

Of

Company Name:

Chino Meadows II Water Company

PO Box 350

Mailing Address:

Chino Valley

AZ

86323

Docket No.:

W-02370A

For the Year Ended:

12/31/18



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: 5/2/2019

ARIZONA CORPORATION COMMISSION WATER UTILITIY ANNUAL REPORT Chino Meadows II Water Company A Class D Utility

| 1. For the Calendar Yea | ar Ended: <u>12/31/18</u> | | | | |
|--------------------------|----------------------------|---------------------|------------|-----------|--------|
| 2. Address: | P.O Box 350 | | | <u> </u> | |
| City | Chino Valley | State: AZ | Z | Zip Code: | 86323 |
| 3. Telephone Number: | 928-717-2616 | | | | |
| 4. Date of Original Orga | anization of Utility: | 4/4/1979 | | | |
| 5. Person to whom corre | espondence should be addre | ssed concerning thi | is report: | | |
| Name: | Sara Pena | | * | | |
| Telephone No.: | 928-717-2616 | | | | |
| Address: | P.O Box 350 | | | | |
| City: | Chino Valley | State: AZ | Z | Zip Code: | 86323 |
| Email: | sara@Leviegroup.com | | | - | |
| 6. On-Site Manager: | | | | | |
| Name: | Paul Levie | | | | |
| Telephone No.: | 928-717-2616 | | | | |
| Address: | P.O Box 350 | | | | |
| City: | Chino Valley | State: AZ | | Zip Code: | 86323 |
| Email: | Sara@leviegroup.com | | | , | |
| 7. Ownership: | "C" Corporation | | | | |
| 8. Counties Served: | Yavapai | | | | |
| | | | | | Page 2 |

Chino Meadows II Water Company Annual Report Utility Plant in Service (Water) 12/31/18

| | | | y Plant in Service | (Water) | | | |
|---------|--|----------------|--------------------|--------------|-------------------|--------------|--------------|
| Account | Description | Beginning Year | Current Year | Current Year | Adjusted Original | Accumulated | OCLD (OC les |
| No. | | Original Cost | Additions | Retirements | Cost | Depreciation | AD) |
| 301 | Organization | \$6,843 | \$0 | \$0 | \$6,843 | \$6,507 | \$3 |
| 302 | Franchises | 0 | 0 | 0 | 0 | 0 | |
| 303 | Land and Land Rights | 15,204 | 0 | 0 | 15,204 | 0 | 15,2 |
| 304 | Structures and Improvements | 44,339 | 0 | 0 | 44,339 | 42,611 | 1,7 |
| 305 | Collecting & Improving Reservoirs | 4,350 | 0 | 0 | 4,350 | 3,650 | 7 |
| 306 | Lake, River, Canal Intakes | 0 | 0 | 0 | 0 | 0 | |
| 307 | Wells and Springs | 27,987 | 0 | 0 | 27,987 | 27.448 | 54 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | - 7,1,0 | |
| 309 | Supply Mains | 1,009 | 0 | 0 | 1,009 | 876 | 1: |
| 310 | Power Generation Equipment | 12,401 | 19,357 | 0 | 31,758 | 4,872 | 26.8 |
| 311 | Pumping Equipment | 63,035 | 1,316 | 0 | 64,351 | 52,459 | 11,89 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 11,0 |
| 320.1 | Water Treatment Plants | 0 | 0 | 0 | 0 | 0 | |
| 320.2 | Solution Chemical Feeders | 6,915 | 0 | 0 | 6.915 | 6,864 | |
| 320.3 | Point-of-Use Treatment Devices | 0 | 0 | 0 | 0,7,0 | 0,804 | |
| 330 | Distribution Reservoirs and Standpipes | 0 | 0 | 0 | 0 | 0 | |
| 330.1 | Storage Tanks | 36,415 | 0 | 0 | 36,415 | 36,415 | |
| 330.2 | Pressure Tanks | 15,269 | 0 | 0 | 15,269 | 15,269 | |
| 331 | Transmission and Distribution Mains | 304,942 | 0 | 0 | 304,942 | 240,339 | 64,61 |
| 333 | Services | 30,067 | 1.131 | 0 | 31,198 | 27,474 | 3,72 |
| 334 | Meters and Meter Installations | 93,953 | 1,800 | 0 | 95,753 | 91,164 | 4.58 |
| 335 | Hydrants | 12,042 | 0 | 0 | 12,042 | 10,133 | 1,90 |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 | 0 | 0 | 1,90 |
| 339 | Other Plant and Misc. Equipment | 16,728 | 0 | 0 | 16,728 | 14,741 | 1,98 |
| | Office Furniture and Equipment | 6,534 | 0 | 0 | 6,534 | 925 | 5.60 |
| 340.1 | Computer & Software | 10,820 | 0 | 0 | 10.820 | 10.820 | |
| 341 | Transportation Equipment | 60,359 | 9,992 | 0 | 70,352 | 61,124 | 9.22 |
| | Stores Equipment | 0 | 0 | 0 | 0,552 | 01,124 | 9,22 |
| 343 | Tools, Shop and Garage Equipment | 1,961 | 5,031 | 0 | 6,992 | 1,356 | 5.63 |
| | Laboratory Equipment | 0 | 0 | 0 | 0,992 | 1,336 | 5,63 |
| 345 | Power Operated Equipment | 30,461 | 1,161 | 0 | 31,621 | 22,386 | 0.22 |
| | Communication Equipment | 17,200 | 0 | 0 | 17,200 | 16,916 | 9,23 |
| | Miscellaneous Equipment | 3,975 | 0 | 0 | 3,975 | 2,584 | 28 |
| | Other Tangible Plant | 0 | 0 | 0 | 3,973 | 2,384 | 1,39 |
| | Totals | \$822,807 | \$39,788 | \$0 | \$862,595 | \$696,933 | \$165,66 |

Chino Meadows II Water Company Annual Report Depreciation Expense for the Current Year (Water) 12/31/18

| | | | n Expense for th | e Current Year | (Water) | | | |
|-------------|--|----------------|------------------|----------------|---------------|-------------------|--------------|-------------|
| Account No. | Description | Beginning Year | Current Year | Current Year | Adjusted | Fully | Depreciation | Depreciatio |
| | | Original Cost | Additions | Retirements | Original Cost | Depreciated/Non- | Percentages | Expense |
| | | | | | | depreciable Plant | | |
| 301 | Organization | \$6,843 | \$0 | \$0 | \$6,843 | \$6,507 | 0.00% | \$(|
| 302 | Franchises | 0 | 0 | 0 | 0 | 0 | 0.00% | (|
| 303 | Land and Land Rights | 15,204 | 0 | 0 | 15,204 | 0 | 0.00% | (|
| 304 | Structures and Improvements | 44,339 | 0 | 0 | 44,339 | 0 | 3.33% | 1,476 |
| 305 | Collecting & Improving Reservoirs | 4,350 | 0 | 0 | 4,350 | 0 | 2.50% | 109 |
| 306 | Lake, River, Canal Intakes | 0 | 0 | 0 | 0 | 0 | 2.50% | (|
| 307 | Wells and Springs | 27,987 | 0 | 0 | 27,987 | 9,096 | 3.33% | 629 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0.00% | (|
| 309 | Supply Mains | 1,009 | 0 | 0 | 1,009 | 0 | 2.00% | 20 |
| 310 | Power Generation Equipment | 12,401 | 19,357 | 0 | 31,758 | 0 | 5.00% | 1,104 |
| 311 | Pumping Equipment | 63,035 | 1,316 | 0 | 64,351 | 46,268 | 12.50% | 2,178 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | (|
| 320.1 | Water Treatment Plants | 0 | 0 | 0 | 0 | 0 | 3.33% | (|
| 320.2 | Solution Chemical Feeders | 6,915 | 0 | 0 | 6,915 | 6,406 | 20.00% | 102 |
| 320.3 | Point-of-Use Treatment Devices | 0 | 0 | 0 | 0 | 0 | 0.00% | (|
| 330 | Distribution Reservoirs and Standpipes | 0 | 0 | 0 | 0 | 0 | 0.00% | (|
| 330.1 | Storage Tanks | 36,415 | 0 | 0 | 36,415 | 15,120 | 2.22% | 215 |
| 330.2 | Pressure Tanks | 15,269 | 0 | 0 | 15,269 | 15,269 | 5.00% | (|
| 331 | Transmission and Distribution Mains | 304,942 | 0 | 0 | 304,942 | 167,988 | 2.00% | 2,739 |
| 333 | Services | 30,067 | 1,131 | 0 | 31,198 | 7,181 | 3.33% | 781 |
| 334 | Meters and Meter Installations | 93,953 | 1,800 | 0 | 95,753 | 90,680 | 8.33% | 348 |
| 335 | Hydrants | 12,042 | 0 | 0 | 12,042 | 0 | 2.00% | 241 |
| 336 | Backflow Prevention Devices | 0 | 0 | 0 | 0 | 0 | 6.67% | (|
| 339 | Other Plant and Misc. Equipment | 16,728 | 0 | 0 | 16,728 | 1,305 | 6.67% | 1,029 |
| 340 | Office Furniture and Equipment | 6,534 | 0 | 0 | 6,534 | 0 | 6.67% | 436 |
| 340.1 | Computer & Software | 10,820 | 0 | 0 | 10,820 | 10,820 | 20.00% | (|
| 341 | Transportation Equipment | 60,359 | 9,992 | 0 | 70,352 | 60,359 | 20.00% | 999 |
| 342 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 4.00% | (|
| 343 | Tools, Shop and Garage Equipment | 1,961 | 5,031 | 0 | 6,992 | 0 | 5.00% | 224 |
| 344 | Laboratory Equipment | 0 | 0 | 0 | 0 | 0 | 10.00% | 0 |
| 345 | Power Operated Equipment | 30,461 | 1,161 | 0 | 31,621 | 18,377 | 5.00% | 633 |
| 346 | Communication Equipment | 17,200 | 0 | 0 | 17,200 | 0 | 10.00% | 1,720 |
| 347 | Miscellaneous Equipment | 3,975 | 0 | 0 | 3,975 | 0 | 10.00% | 398 |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 10.00% | (|
| | Subtotal | \$822,807 | \$39,788 | \$0 | \$862,595 | \$455,376 | 22.3070 | \$15.380 |

 Contribution(s) in Aid of Construction (Gross)
 \$37,608

 Less: Non Amortizable Contribution(s)
 0

 Fully Amortized Contribution(s)
 0

 Amortizable Contribution(s)
 \$37,608

 Times: Proposed Amortization Rate
 3.78%

 Amortization of CIAC
 \$1,420

Less: Amortization of CIAC \$1,420

DEPRECIATION EXPENSE \$13,960

Chino Meadows II Water Company Annual Report Balance Sheet Assets 12/31/18

| | Balance Sheet Assets | | |
|-------------|---|---|---|
| | Assets | Balance at Beginning of Year (2018) | Balance at End of Year (2018) |
| Account No. | Current and Accrued Assets | | |
| 131 | Cash | \$62,660 | \$66,643 |
| 134 | Working Funds | 0 | 0 |
| 135 | Temporary Cash Investments | 0 | 0 |
| 141 | Customer Accounts Receivable | 38,897 | 36,618 |
| 146 | Notes Receivable from Associated Companies | 1,847 | 5,488 |
| 151 | Plant Material and Supplies | 3,024 | 3,024 |
| 162 | Prepayments | 0 | 0 |
| 174 | Miscellaneous Current and Accrued Assets | 0 | (4,361) |
| | Total Current and Accrued Assets | \$106,428 | \$107,412 |
| Account No. | Fixed Assets | | |
| 101 | Utility Plant in Service* | \$822,807 | \$862,595 |
| 103 | Property Held for Future Use | 525 | 525 |
| 105 | Construction Work in Progress | 0 | 0 |
| 108 | Accumulated Depreciation (enter as negative)* | (675,604) | (696,933) |
| 121 | Non-Utility Property | 0 | (,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |
| 122 | Accumulated Depreciation - Non Utility | 0 | |
| | Total Fixed Assets | \$147,728 | \$166,187 |
| _ | Total Assets | \$254,156 | \$273,599 |

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

Chino Meadows II Water Company Annual Report Balance Sheet Liabilities and Owners Equity

| | Balance Sheet Liabilities and Ov | vners Equity | |
|-------------|---|-------------------------------------|----------------------------------|
| | Liabilities | Balance at Beginning of Year (2018) | Balance at End of Year (2018) |
| Account No. | Current Liabilities | | |
| 231 | Accounts Payable | \$515 | \$56 |
| 232 | Notes Payable (Current Portion) | 0 | 0 |
| 234 | Notes Payable to Associated Companies | 12,038 | 0 |
| 235 | Customer Deposits | 8,288 | 4,956 |
| 236 | Accrued Taxes | 1,995 | (2,820) |
| 237 | Accrued Interest | 0 | 0 |
| 242 | Miscellaneous Current and Accrued Liabilities | 1,787 | 7,549 |
| | Total Current Liabilities | \$24,622 | \$9,741 |
| | Long Term Debt | | |
| 224 | Long Term Debt (Notes and Bonds) | \$0 | \$0 |
| | Deferred Credits | | |
| 251 | Unamortized Premium on Debt | \$0 | \$0 |
| 252 | Advances in Aid of Construction | 4,137 | 0 |
| 255 | Accumulated Deferred Investment Tax Credits | 0 | 0 |
| 271 | Contributions in Aid of Construction | 37,608 | 37,608 |
| 272 | Less: Amortization of Contributions | (18,209) | (19,629) |
| 281 | Accumulated Deferred Income Tax | 0 | 0 |
| | Total Deferred Credits | \$23,536 | \$17,979 |
| | Total Liabilites | \$48,159 | \$27,720 |
| | Capital Accounts | | |
| 201 | Common Stock Issued | \$8,597 | \$8,597 |
| 211 | Other Paid-In Capital | 91,875 | 91,875 |
| 215 | Retained Earnings | (23,217) | 28,754 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | 128,742 | 116,653 |
| | Total Capital | \$205,997 | \$245,879 |
| | Total Liabilities and Capital | \$254,156 | \$273,599 |

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!

| | Water Comparative | Income Statement | |
|-------------|--|-------------------------|-------------------------|
| Account No. | Calendar Year | Current Year | Last Year |
| | | 01/01/2018 - 12/31/2018 | 01/01/2017 - 12/31/2017 |
| | Operating Revenue | | |
| 461 | Metered Water Revenue | \$379,086 | \$376,386 |
| 460 | Unmetered Water Revenue | 0 | (|
| 462 | Fire Protection Revenue | 0 | (|
| 469 | Guaranteed Revenues (Surcharges) | 0 | (|
| 471 | Miscellaneous Service Revenues | 0 | 0 |
| 474 | Other Water Revenue | 10,564 | 8,981 |
| | Total Revenues | \$389,650 | \$385,367 |
| | | | |
| | Operating Expenses | | |
| 601 | Salaries and Wages | \$166,234 | \$139,683 |
| 604 | Employee Pensions and Benefits | 0 | (|
| 610 | Purchased Water | 0 | 0 |
| 615 | Purchased Power | 24,887 | 24,744 |
| 618 | Chemicals | 966 | 956 |
| 620 | Materials and Supplies | 10,066 | 11,416 |
| 620.1 | Repairs and Maintenance | 2,674 | 1,851 |
| 620.2 | Office Supplies and Expense | 25,195 | 30,121 |
| 630 | Contractual Services | 4,875 | 4,868 |
| 631 | Contractual Services -Engineering | 2.979 | 6,715 |
| 632 | Contractual Services - Accounting | 0 | 0,713 |
| 633 | Contractual Services - Legal | 0 | 0 |
| 634 | Contractual Services - Management Fees | 0 | 0 |
| 635 | Contractual Services - Water Testing | 3,757 | 3,626 |
| 636 | Contractual Services - Water Testing Contractual Services - Other | 9,814 | 11,016 |
| 640 | Rents | 0 | 0 |
| 641 | Rental of Building/Real Property | 13,175 | 13,175 |
| 642 | Rental of Equipment | 1,304 | 703 |
| 650 | Transportation Expenses | 10,632 | 21,361 |
| 657 | Insurance - General Liability | 8,772 | 8,216 |
| 657.1 | Insurance - Health and Life | 0,772 | 0,210 |
| 665 | Regulatory Commission Expense - Rate | 1,079 | 899 |
| 670 | Bad Debt Expense | 5,430 | 4,391 |
| | Miscellaneous Expense | 9,215 | 8,033 |
| | Depreciation Expense (From Schedule AR4) | 13,960 | 12,958 |
| 408 | Taxes Other Than Income | 122 | 12,938 |
| | Property Taxes | 15,201 | 22,544 |
| | Income Taxes | 13,398 | 100 |
| | Customer Security Deposit Interest | 15,576 | 71 |
| | Total Operating Expenses | \$343,820 | \$327,447 |
| | Total Operating Expenses | \$575,020 | 9527,777 |
| | Operating Income / (Loss) | \$45,830 | \$57,919 |
| | operating income / (Luss) | 373,030 | \$37,319 |
| | Other Income / (Expense) | | |
| | Interest and Dividend Income | \$0 | \$0 |
| | Non-Utility Income | 0 | <u> </u> |
| | Miscellaneous Non-Utility (Expense) | 0 | 0 |
| | Interest (Expense) | 0 | 0 |
| | Total Other Income / (Expense) | <u> </u> | \$0 |
| | total Other Income / (Expense) | 30 | 30 |
| | Net Income / (Loss) | \$45,830 | \$57,919 |

Chino Meadows II Water Company Annual Report Full time equivalent employees 12/31/18

Full time equivalent employees

| | Direct Company | Outside service | Total |
|----------------------|----------------|-----------------|-------|
| President | 0.4 | 0.0 | 0.4 |
| Vice-president | 0.0 | 0.0 | 0.0 |
| Manager | 0.0 | 0.0 | 0.0 |
| Engineering Staff | 0.0 | 0.0 | 0.0 |
| System Operator(s) | 1.9 | 0.0 | 1.9 |
| Meter reader | 0.0 | 0.0 | 0.0 |
| Customer Service | 0.0 | 0.0 | 0.0 |
| Accounting | 0.0 | 0.0 | 0.0 |
| Business Office | 0.0 | 0.0 | 0.0 |
| Rates Department | 0.0 | 0.0 | 0.0 |
| Administrative Staff | 1.4 | 0.0 | 1.4 |
| Other | 0.0 | 0.0 | 0.0 |
| Total | 3.7 | 0.0 | 3.7 |

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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Chino Meadows II Water Company Annual Report Supplemental Financial Data (Long-Term Debt) 12/31/18

| Supplemental Financial Data (Long-Term Debt) | | | | | | | |
|--|---------|---------|---------|---------|--|--|--|
| | Loan #1 | Loan #2 | Loan #3 | Loan #4 | | | |
| Date Issued | None | None | None | None | | | |
| Source of Loan | None | None | None | None | | | |
| ACC Decision No. | None | None | None | None | | | |
| Reason for Loan | None | None | None | None | | | |
| Dollar Amt. Issued | None | None | None | None | | | |
| Amount Outstanding | None | None | None | None | | | |
| Date of Maturity | None | None | None | None | | | |
| Interest Rate | None | None | None | None | | | |
| Current Year Interest | None | None | None | None | | | |
| Current Year Principal | None | None | None | None | | | |

| Meter Deposit Balance at Test Year End: | \$4,956 | |
|--|---------|--|
| | | |
| Meter Deposits Refunded During the Test Year | \$9,197 | |

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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.

Chino Meadows II Water Company Annual Report Well and Water Usage 12/31/18

| | | | We | ll and Water Usage | | | | | | _ |
|--|-------------------|------------------|------------------------|-----------------------------|-----------------------|--------------|------------------------|------------------|----------|---|
| Name of the System: | | Chino Meadows II | | - | | | | | | |
| ADEQ Public Water Sys | stem Number: | | AZ04-13-079 | | | | ı | | | |
| ADWR PCC Number: | | | #N/A | | | | | | | |
| Well registry 55# (55- XXXXXX); | Pump Horsepower | Pump Yield (epm) | Casing Depth (feet) | Casing Diameter (inches) | Pump Motor Type ** | Year Drilled | Meter Size (inches) | How measured: | A set or | |
| 55-552320 | 15 | 225 | 355 | 10 | Submersible | 1995 | | 0 | Active | |
| 55-613770 | 20 | | 550 | 12 | Submersible | 1993 | | 0 | | 0 |
| | | | | | | | | | | |
| | | | | | | | | | - | _ |
| | | | | | | | | | | _ |
| | | | | | | | <u> </u> | | - | |
| | | | | | | | | | | _ |
| | | | | | | | | | | |
| Name of system water de | Nivered to: | | | | | | | | <u> </u> | — |
| ADWR PCC Number: | invered to. | | #N/A | | | | | | | |
| Source of water delivered | to another system | | #IV/A | | | | | | | |
| Name of system water re- | ceived from: | | | | | | | | | |
| ADWR PCC Number: | | | #N/A | | | | | | | |
| Source of water received Well registry 55# (55-XX | | | | | | | | | | |

| | | | | Water received | | | l |
|-----------|-----------------|------------------|--------------------|---------------------|----------------|----------------------|-------------|
| | | | Water delivered | (purchased) from | Estimated | ļ | |
| | Water withdrawn | Water sold (acre | (sold) to other | other systems (acre | authorized use | Purchased Power | Purchased |
| Month | (acre ft) | ft) ² | systems (acre ft)3 | ft) ⁴ | (acre ft)5 | Expense ⁶ | Power (kWh) |
| January | 16 | 12 | 0 | 0 | 0 | \$2,068 | 16,402 |
| February | 13 | 11 | 0 | Ó | 0 | 2,060 | 15,879 |
| March | 16 | 12 | 0 | 0 | 0 | 1.808 | 14,566 |
| April | 18 | 15 | 0 | 0 | 0 | 1.823 | 13,755 |
| May | 16 | 14 | 0 | 0 | 0 | 2,174 | 17,448 |
| June | 24 | 18 | 0 | 0 | 0 | 2,414 | 20,425 |
| July | 20 | 16 | 0 | 0 | 0 | 2,668 | 23,873 |
| August | 20 | 16 | 0 | 0 | 0 | 2,053 | 17,367 |
| September | 16 | 14 | 0 | 0 | 0 | 2,121 | 18,209 |
| October | 18 | 13 | 0 | 0 | 0 | 2,068 | 17,585 |
| November | 15 | 12 | 0 | 0 | 0 | 1.772 | 14,693 |
| December | 16 | 11 | 0 | 0 | 0 | 1.858 | 15,073 |
| Totals | 210 | 165 | 0 | 0 | 2 | \$24,887 | 205,275 |

| If applicable, in the space below please provide a description for all un-metered water use along with amounts: | |
|---|--|
| | |
| | |
| | |
| | |

| Ì | Water | withdrawn | - Total | acre feet | of water | withdrawn | from | numned | sources |
|---|-------|-----------|---------|-----------|----------|-----------|------|--------|---------|
| | | | | | | | | | |

[|] Water withdrawn - Total acre feet of water withdrawn from pumped sources.
| 2 Water sold - Total acre feet from customer meters, and other sales such as construction water.
| 3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.
| 4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.
| 5 Estimated authorized use - Total estimated acre feet from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/eleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
| 6 Enter the total purchased power costs for the power meters associated with this system.
| 7 Enter the total purchased kWh used by the power meters associated with this system.

⁷ Enter the total purchased kWh used by the power meters associated with this system.

Chino Meadows II Water Company Annual Report Water Utility Plant Description 12/31/18

| | Water Utility Plant Description | |
|----------------------------------|---------------------------------|--|
| Name of the System: | Chino Meadows II | |
| ADEQ Public Water System Number: | AZ04-13-079 | |
| ADWR PCC Number: | #N/A | |

| | MAINS | | | | | |
|----------------|--|---------------|--|--|--|--|
| Sizes (inches) | Material | Length (feet) | | | | |
| 3.00 | PVC | 664 | | | | |
| 4.00 | PVC | 27,042 | | | | |
| 6.00 | PVC & Dip | 51,027 | | | | |
| | | | | | | |
| | | | | | | |
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| | <u> </u> | | | | | |

| SERVICE | LINES |
|----------|-------------------|
| Material | Percent of system |
| | |
| | |
| | |
| | |
| | |

| Size (inches) | Quantity |
|---------------|----------|
| 5/8 X 3/4 | 959 |
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CUSTOMER METERS

| | BOOSTER PUMPS | | |
|------------|---------------|----------|---|
| Horsepower | GPM | Quantity | _ |
| 15 | unknown | | 4 |
| 25 | unknown | | 1 |
| | | | |
| | | | |

| | STORAGE TANKS | |
|--------------------|---------------|----------|
| Capacity (gallons) | Material | Quantity |
| 67,000 | Steel | 1 |
| 20,000 | Steel | I |
| 10,000 | Steel | 2 |
| | | |
| | | |
| | | |

| FIRE HYDRANTS | | |
|---------------|----------|--|
| Туре | Quantity | |
| Standard * | 7 | |
| Other | 3 | |

| PRESSURE/BLADDER TANKS | | | | | |
|------------------------|----------|----------|--|--|--|
| Capacity (gallons) | Material | Quantity | | | |
| 5,000 | | 2 | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

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. Copy and paste this sheet as many times as is necessary.

^{*} A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Chino Meadows II Water Company Annual Report Water Utility Plant Description (Continued) 12/31/18

| | Water Utility Plant Description (Continued) For the following three items, list the utility owned assets in each category for each system. | | | | | |
|-------------------------|---|--|--|--|--|--|
| For the following | | | | | | |
| TREATMENT EQUIPMENT: | (2) Chlorination Pump Systems | | | | | |
| STRUCTURES: | (1) Shop Building Quonset Hut; Metal 26'x38', (2) Well House Structures; Wood 8'x8' and 6'x15', (1) Application Shed; Wood 8'x8', (2) Pump/Pressure Tank Buildings; Wood 10'x12' and Block 16'x20', (1) Storage Building; Block 20'x20' | | | | | |
| OTHER: | | | | | | |

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. Copy and paste this sheet as many times as is necessary.

Chino Meadows II Water Company Annual Report Customer and Other Information 12/31/18

| Customer and Other Information | | | | | |
|----------------------------------|-------------------------------------|-------------|---|--|--|
| Name of the System: | ame of the System: Chino Meadows II | | | | |
| ADEQ Public Water System Number: | | AZ04-13-079 | | | |
| ADWR PCC Number: | | #N/A | 1 | | |

| | Number of Customers | | | | | |
|-----------|---------------------|-----------------|------------|-----------------|-------------|--|
| Month | Single-Family | Marlei Fornilla | C | T. C// | Other Non- | |
| | | Multi-Family | Commercial | Turf/Irrigation | Residential | |
| January | 941 | 0 | 0 | 0 | 0 | |
| February | 940 | 0 | 0 | 0 | 0 | |
| March | 951 | 0 | 0 | 0 | 0 | |
| April | 952 | 0 | 0 | 0 | 0 | |
| May | 955 | 0 | 0 | 0 | 0 | |
| June | 962 | 0 | 0 | 0 | 0 | |
| July | 966 | 0 | 0 | 0 | 0 | |
| August | 965 | 0 | 0 | 0 | 0 | |
| September | 968 | 0 | 0 | 0 | 0 | |
| October | 967 | 0 | 0 | 0 | 0 | |
| November | 966 | 0 | 0 | 0 | 0 | |
| December | 975 | 0 | 0 | 0 | 0 | |

| If the system has fire hydrants, what is the fire flow requirements? | 1,000 GPM for 2 hrs. |
|---|----------------------|
| Does the system have chlorination treatment? | Yes |
| Does the Company have an ADWR Gallons Per Capita Per Day (GCPCP If yes, provide the GPCPD amount: | PD) requirement? No |
| Is the Water Utility located in an ADWR Active Management Area (AMA If yes, which AMA? | A)? Yes Prescott AMA |

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. Copy and paste this sheet as many times as is necessary.

Chino Meadows II Water Company Annual Report Property Taxes 12/31/18

| Property Taxes | |
|--|----------|
| Amount of actual property taxes paid during Calendar Year 2018 was | \$15,201 |
| If no property taxes paid, explain why. | |
| | |
| | |
| | |
| | |
| | |
| | |

Chino Meadows II Water Company Annual Report Verification and Sworn Statement (Taxes) 12/31/18

| | | | Verificati | on and Sworn Statem | ent (Taxes) | | | |
|------------------|----------------------|-----------------------------|---------------------------|---|-------------|--------------|--------------|--|
| | | | - vermeati | on and Sworn Statem | ent (Taxes) | | REI | 11-11-1 |
| Verification: | State of | Arizona | | I, the undersigned | l of the | | | CEIVED |
| | | (sta | ite name) | | | Pro- | 0.5 | |
| | | | | | | 1 | MAY | (0.8 2010 |
| | | county name): | | Yavapai | | | | 00 2013 |
| | Company na | er or official) titl | | Paul D. Levie | | taut | ARIZONA C | PRP COMMISSION |
| | company in | ume. | Cimo ivicado | ws if water Company | | | E9 DIVISIO | ORP COMMISSION N – DIRECTOR'S OFFICE |
| | DO SAY TI CORPORA | HAT THIS ANN TION COMMIS | UAL UTILITY SION. | PROPERTY TAX A | ND SALES TA | | | |
| | FOR THE Y | EAR ENDING: | | 12/31/18 | 3 | | | |
| | CORRECT IN | STATEMENT C | OF BUSINESS EACH AND E | AND AFFAIRS OF SA VERY MATTER AND | AID UTILITY | FOR THE | PERIOD | TO BE A COMPLETE AND COVERED BY THIS EST OF MY |
| Sworn Statement: | I HEREBY A | ATTEST THAT | ALL PROPER | TY TAXES FOR SAII | O COMPANY | ARE CUR | RENT AN | ND PAID IN FULL. |
| | I HEREBY A | ATTEST THAT | ALL SALES T | AXES FOR SAID CO | MPANY ARE | CURREN | Γ AND P | AID IN FULL. |
| | | | | |) | | | THE HAT OBE. |
| | | | r | | -0-1 | | | |
| | | | | | et d- | land | 5 | |
| | | | | | sigha | ature of own | ner/officia | ıl |
| | | | _ | | | 928-717-2 | 2616 | |
| | | | | | | telephone | | |
| | | | | | | • | | |
| | | | | O AND SWORN TO B THE COUNTY | EFORE ME A | NOTARY | PUBLIC | Mayapai |
| | | | THIS | | 3 rd | DAY O | F _ | (county hame) (month) and (year) |
| | | | MY COMMIS | SION EXPIRES | 1 | 5-1 (da | 4-19 (te) | (magair) and (year) |
| | | | THE STATE OF | KAREN F WOODS NOTARY PUBLIC, ARIZON YAVAPAI COUNTY My Commission Expires May 14, 2019 | | (signati | uc d | Day public) |

Chino Meadows II Water Company Annual Report Verification and Sworn Statement 12/31/18

| | | | Verifica | tion and Sworn Stateme | nt | RECEIVED |
|--------------|-----------------------|----------------------------------|---|--|--|---|
| Verification | | | | | | TOEIVED |
| | State of | Ariz | ona | I, the undersigned of the | e | |
| | G | (state | name) | | | MAY 08 2019 |
| | | ounty name): | | Yavapai | | 00 2019 |
| | Company na | er or official) title: | China | Paul D. Levie | | UTILITIES DIVISION DISCON |
| | Company na. | me. | Chino Mead | lows II Water Company | | UTILITIES DIVISION - DIRECTOR'S OFFICE |
| | DO SAY TH CORPORAT | IAT THIS ANNUA TION COMMISSIC | L UTILITY P On. | ROPERTY TAX AND SA | ALES TAX RE | EPORT TO THE ARIZONA |
| | FOR THE Y | EAR ENDING: | 12/31/1 | 8 | | |
| | CORRECT S REPORT IN | HAT I HAVE CAR STATEMENT OF I | EFULLY EX. BUSINESS AN CH AND EVI | AMINED THE SAME, A ND AFFAIRS OF SAID U ERY MATTER AND THI | ND DECLARI TILITY FOR | KS, PAPERS AND RECORDS OF SAID E THE SAME TO BE A COMPLETE AND THE PERIOD COVERED BY THIS TH, TO THE BEST OF MY |
| | STATUTES, | IT IS HEREIN RE | PORTED THA | ENTS OF TITLE 40, AR AT THE GROSS OPERA TIONS DURING THE CA | TING REVEN | TION 40-401, ARIZONA REVISED UE OF SAID UTILITY DERIVED FROM AR WAS: |
| | | | | Arizona Intrastate Gros (The amount in the box billed or collected) | \$389,650 above includes \$43,354 in | sales taxes gnature of owner/official |
| | | | | | | 928-717-2616 telephone no. |
| | | | IN AND FOR THIS | D AND SWORN TO BEF THE COUNTY 3 V d GSION EXPIRES | _ | OTARY PUBLIC (county name) (yor) (month) and (year) |
| | | | THE | KAREN F WOODS NOTARY PUBLIC, ARIZONA YAVAPAI COUNTY My Commission Expires May 14, 2019 | | (date) (date) gnature of notary public) |

Chino Meadows II Water Company Annual Report Verification and Sworn Statement (Residential Revenue) 12/31/18

| | Verification and Sworn Statement (Residential Revenue) | RECEIVED |
|------------------|--|--|
| Verification | n: | MAY OO soes |
| | County of (county years) | MAY 08 2019 ARIZONA CORP COMMISSION TILITIES DIVISION – DIRECTOR'S OFFICE |
| | DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX RECORPORATION COMMISSION. | EPORT TO THE ARIZONA |
| | FOR THE YEAR ENDING: 12/31/18 | |
| | HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOF OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATERIAL FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF. | DECLARE THE SAME TO BE SAID UTILITY FOR THE |
| Sworn Statement: | : IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SEC REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATIN UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RE RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS: | IG REVENUE OF SAID |
| | Arizona Intrastate Gross Operating Revenues Only (\$) \$389,650 (The amount in the box above includes \$43,354 in sales tax billed or collected) | ces |
| | signature | of owner/official |
| | | 717-2616 phone no. |
| | SUBSCRIBED AND SWORN TO BEFORE ME A NO IN AND FOR THE COUNTY | TARY PUBLIC 1) Q D QU (county name) |
| | THIS 3 rd DAY O | F May 2019 (month) and (year) |
| | MY COMMISSION EXPIRES (date) | <u>-19</u> |
| | KAREN F WOODS NOTARY PUBLIC, ARIZONA YAVAPAI COUNTY My Commission Expires May 14, 2019 KAREN F WOODS (signature of notary) | Dook public) |