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2019 APR 19 A 8:31

**ANNUAL REPORT**

Of

Company Name: Humboldt Water Systems, Inc.  
PO Box 938

Mailing Address: Mayer AZ  
86333

Docket No.: W-02197A  
For the Year Ended: 12/31/18

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [rdelafuente@azcc.gov](mailto: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: 3/28/2019

4-19-19

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Humboldt Water Systems, Inc.  
A Class  Utility

1. For the Calendar Year Ended:

2. Address:   
City:  State:  Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

5. Person to whom correspondence should be addressed concerning this report:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

6. On-Site Manager:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

7. Ownership:

8. Counties Served:

Humboldt Water Systems, Inc.  
Annual Report  
Utility Plant in Service (Water)  
12/31/18

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$2,378	\$0	\$0	\$2,378	\$0	\$2,378
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	6,650	0	0	6,650	0	6,650
304	Structures and Improvements	10,041	0	0	10,041	5,813	4,228
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	39,228	0	0	39,228	20,308	18,920
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	79,092	0	0	79,092	36,264	42,828
311	Pumping Equipment	60,498	0	0	60,498	60,498	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	301,528	0	0	301,528	39,802	261,726
320.2	Solution Chemical Feeders	2,087	109	0	2,196	2,196	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	26,500	0	0	26,500	20,830	5,670
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	170,246	0	0	170,246	148,312	21,934
333	Services	125,854	0	0	125,854	83,249	42,605
334	Meters and Meter Installations	25,454	12,059	0	37,513	10,976	26,537
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	1,749	1,500	0	3,249	165	3,084
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$851,305</b>	<b>\$13,668</b>	<b>\$0</b>	<b>\$864,973</b>	<b>\$428,413</b>	<b>\$436,560</b>

**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.

Humboldt Water Systems, Inc.  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/18

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$2,378	\$0	\$0	\$2,378	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	6,650	0	0	6,650	0	0.00%	0
304	Structures and Improvements	10,041	0	0	10,041	0	3.33%	334
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	39,228	0	0	39,228	0	3.33%	1,306
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	79,092	0	0	79,092	0	6.67%	5,275
311	Pumping Equipment	60,498	0	0	60,498	60,498	12.50%	0
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	301,528	0	0	301,528	0	3.33%	10,041
320.2	Solution Chemical Feeders	2,087	109	0	2,196	2,140	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	26,500	0	0	26,500	0	2.22%	588
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	170,246	0	0	170,246	0	2.00%	3,405
333	Services	125,854	0	0	125,854	0	3.33%	4,191
334	Meters and Meter Installations	25,454	12,059	0	37,513	0	8.33%	2,623
335	Hydrants	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	1,749	1,500	0	3,249	0	6.67%	167
340	Office Furniture and Equipment	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$851,305</b>	<b>\$13,668</b>	<b>\$0</b>	<b>\$864,973</b>	<b>\$62,638</b>		<b>\$27,931</b>

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	3.48%
<b>Amortization of CIAC</b>	<b>\$0</b>

Less: Amortization of CIAC

**DEPRECIATION EXPENSE**

**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.

Humboldt Water Systems, Inc.  
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.	<b>Current and Accrued Assets</b>			
131	Cash		\$47,337	\$41,608
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	<b>Total Current and Accrued Assets</b>		<b>\$47,337</b>	<b>\$41,608</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$851,305	\$864,973
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation <i>(enter as negative)</i>		(400,032)	(428,413)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$451,273</b>	<b>\$436,560</b>
	<b>Total Assets</b>		<b>\$498,610</b>	<b>\$478,168</b>

**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

Humboldt Water Systems, Inc.  
Annual Report  
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities			
231	Accounts Payable		\$0	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		25,397	28,827
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	<b>Total Current Liabilities</b>		<b>\$25,397</b>	<b>\$28,827</b>
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$290,752	\$279,164
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		7,269	7,269
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	<b>Total Deferred Credits</b>		<b>\$7,269</b>	<b>\$7,269</b>
	<b>Total Liabilities</b>		<b>\$323,418</b>	<b>\$315,260</b>
	Capital Accounts			
201	Common Stock Issued		\$2,013	\$2,013
211	Other Paid-In Capital		0	0
215	Retained Earnings		173,179	160,895
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>\$175,192</b>	<b>\$162,908</b>
	<b>Total Liabilities and Capital</b>		<b>\$498,610</b>	<b>\$478,168</b>

**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!

Humboldt Water Systems, Inc.  
Annual Report  
Water Comparative Income Statement  
12/31/18

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$185,531	\$184,144
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	27,048	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	6,109	6,022
	<b>Total Revenues</b>	<b>\$218,689</b>	<b>\$190,167</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	12,019	11,174
618	Chemicals	424	298
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	78,834	70,672
620.2	Office Supplies and Expense	157	57
630	Contractual Services	42,588	39,965
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	16,591	15,002
636	Contractual Services - Other	0	0
640	Rents	0	124
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	3,369	3,297
657.1	Insurance - Health and Life	1,195	0
665	Regulatory Commission Expense - Rate	818	865
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	20,144	0
403	Depreciation Expense (From Schedule AR4)	27,931	27,210
408	Taxes Other Than Income	0	0
408.11	Property Taxes	7,522	6,877
409	Income Taxes	16,510	0
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$228,102</b>	<b>\$175,541</b>
	<b>Operating Income / (Loss)</b>	<b>(\$9,413)</b>	<b>\$14,625</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(5,707)	(6,356)
	<b>Total Other Income / (Expense)</b>	<b>(\$5,707)</b>	<b>(\$6,356)</b>
	<b>Net Income / (Loss)</b>	<b>(\$15,121)</b>	<b>\$8,269</b>

**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.

Humboldt Water Systems, Inc.  
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	5/30/2014	1/0/1900	1/0/1900	1/0/1900
Source of Loan	WIFA	0	0	0
ACC Decision No.	79386	0	0	0
Reason for Loan	Arsenic Treatment	0	0	0
Dollar Amt. Issued	\$301,528	\$0	\$0	\$0
Amount Outstanding	\$279,164	\$0	\$0	\$0
Date of Maturity	5/1/2034	1/0/1900	1/0/1900	1/0/1900
Interest Rate	4.20%	0.00%	0.00%	0.00%
Current Year Interest	\$5,562	\$0	\$0	\$0
Current Year Principal	\$5,833	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$4,023
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Meter Deposits Refunded During the Test Year:	\$843
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**List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.**



### Well and Water Usage

[illegible]

Name of system water delivered to:	HUMBOLDT WATER CO	
ADWR PCC Number:	91-000639.0000	
Source of water delivered to another system	Other	

Name of system water received from:		
ADWR PCC Number:		
Source of water received	Other	
Well registry 55# (55-XXXXXX):	na	

Month	Water withdrawn (acre ft) <sup>1</sup>	Water sold (acre ft) <sup>2</sup>	Water delivered (sold) to other systems (acre ft) <sup>3</sup>	Water received (purchased) from other systems (acre ft) <sup>4</sup>	Estimated authorized use (acre ft) <sup>5</sup>	Purchased Power Expense <sup>6</sup>	Purchased <sup>7</sup> Power (kWh) <sup>7</sup>
January	5	5	0	0	0	\$1,373	7,179
February	4	4	0	0	0	1,307	6,821
March	5	4	0	0	0	1,189	7,548
April	5	4	0	0	0	1,353	8,476
May	7	5	0	0	0	1,521	12,193
June	7	6	0	0	0	1,705	11,850
July	8	8	0	0	0	1,303	9,676
August	7	6	0	0	0	1,793	9,135
September	7	6	0	0	0	1,619	8,133
October	7	6	0	0	0	1,398	7,272
November	5	5	0	0	0	1,438	6,711
December	6	5	0	0	0	1,383	7,283
<b>Totals</b>	<b>73</b>	<b>64</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$17,382</b>	<b>102,277</b>

<p>If applicable, in the space below please provide a description for all un-metered water use along with amounts:</p> <p>None</p>
--

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

- |   |   |
|---|---|
| 1 | 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/cleaning 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.   |

### Water Utility Plant Description

Name of the System:	HUMBOLDT WATER CO	
ADEQ Public Water System Number:	AZ0413052	
ADWR PCC Number:	91-000639.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC, Steel	10,000
4.00	PVC, Steel	15,740
6.00	PVC, Steel	8,600
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0

SERVICE LINES	
Material	Percent of system
Black poly	65%
Galvanized steel	20%
Blue poly	15%
NA	0%
NA	0%

CUSTOMER METERS	
Size (inches)	Quantity
5/8 X 3/4	204
0.75	130
1.5	1
Compound 2	2
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10	150	3
0	0	0
0	0	0
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
65,000	Metal	1
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
55	Metal	1
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

**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.

Annual Report

Water Utility Plant Description (Continued)

12/31/18

<b>Water Utility Plant Description (Continued)</b>
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For the following three items, list the utility owned assets in each category for each system.

<b>TREATMENT EQUIPMENT:</b>	Arsenic Treatment and RO Plant
<b>STRUCTURES:</b>	Blocked Building and Fenced Well lot
<b>OTHER:</b>	15KW Solar System

**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.

Customer and Other Information	
Name of the System:	HUMBOLDT WATER CO
ADEQ Public Water System Number:	AZ0413052
ADWR PCC Number:	91-000639.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	329	0	7	0	0
February	327	0	7	0	0
March	327	0	7	0	0
April	327	0	7	0	0
May	328	0	7	0	0
June	330	0	7	0	0
July	330	0	7	0	0
August	327	0	7	0	0
September	329	0	7	0	0
October	329	0	7	0	0
November	332	0	8	0	0
December	330	0	8	0	0

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

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement?

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?

If yes, which 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.

Humboldt Water Systems, Inc.  
Annual Report  
Property Taxes  
12/31/18

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2018 was
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\$7,522
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If no property taxes paid, explain why.
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None
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<b>Instructions:</b> 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.
---

Verification and Sworn Statement (Taxes)

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

County of (county name): Yavapai  
Name (owner or official) title: Stuart McLean  
Company name: Humboldt Water Systems, Inc.

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

FOR THE YEAR ENDING: 12/31/18

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

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

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

[Signature]  
signature of owner/official

928-300-5764

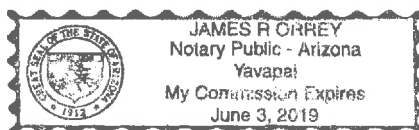
telephone no.

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

THIS 29th DAY OF March, 2019  
(month) and (year)

MY COMMISSION EXPIRES

June 3rd, 2019  
(date)



[Signature]  
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): Yavapai

Name (owner or official) title: Stuart McLean

Company name: Humboldt Water Systems, Inc.

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

FOR THE YEAR ENDING: 12/31/18

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

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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$218,688

(The amount in the box above includes

\$16,510

in sales taxes  
billed or collected)

[Signature]  
signature of owner/official

928-300-5764

telephone no.

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

THIS

29th

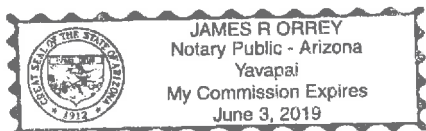
DAY OF

Yavapai  
(county name)

March, 2019  
(month) and (year)

MY COMMISSION EXPIRES

June 30th, 2019  
(date)



[Signature]  
(signature of notary public)



Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Yavapai  
Name (owner or official) title: Stuart McLean  
Company name: Humboldt Water Systems, Inc.

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

FOR THE YEAR ENDING: 12/31/18

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

**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$218,688  
(The amount in the box above includes  
\$16,510 in sales taxes  
billed or collected)



signature of owner/official

928-300-5764

telephone no.

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

Yavapai  
(county name)

THIS

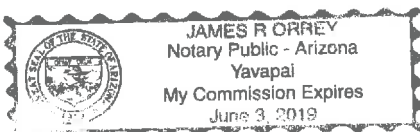
29th

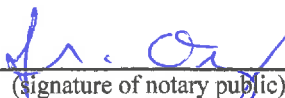
DAY OF

March, 2019  
(month) and (year)

MY COMMISSION EXPIRES

June 3rd, 2019  
(date)



  
(signature of notary public)