

**ANNUAL REPORT**

Of

Company Name: **Hydro-Resources, Inc.**

PO Box 3246

Mailing Address: 549 Camper Village Lane  
Grand Canyon AZ  
86023

Docket No.: W-20770A

For the Year Ended: **12/31/19**

**RECEIVED  
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3/23/2020, 9:16 AM

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

**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: **3/17/2020**

Hydro-Resources, Inc.  
Annual Report  
Table of Contents

TABLE OF CONTENTS

Company Name: Hydro-Resources, Inc.  
Test Year: 12/31/19

Table of contents:		Page No.	Complete
AR 1	<u>Cover Page 1</u>	<u>Page 1</u>	Complete
AR 2	<u>Cover Page 2</u>	<u>Page 2</u>	Incomplete
AR 2-2	<u>Important changes during the year</u>	<u>Page 3</u>	Incomplete
AR 3	<u>Utility Plant in Service (Water)</u>	<u>Page 4</u>	Incomplete
AR 4	<u>Depreciation Expense for the Current Year (Water)</u>	<u>Page 5</u>	Incomplete
AR 5	<u>Balance Sheet Assets</u>	<u>Page 6</u>	Complete
AR 6	<u>Water Comparative Income Statement</u>	<u>Page 8</u>	Incomplete
AR 6-2	<u>Full time equivalent employees</u>	<u>Page 9</u>	Incomplete
AR 7	<u>Supplemental Financial Data (Long-Term Debt)</u>	<u>Page 10</u>	Incomplete
AR 8	<u>Well and Water Usage</u>	<u>Page 11</u>	Incomplete
AR 9	<u>Water Utility Plant Description</u>	<u>Page 12</u>	Incomplete
AR 10	<u>Customer and Other Information</u>	<u>Page 14</u>	Incomplete
AR 11	<u>Utility Shutoffs / Disconnects</u>	<u>Page 15</u>	Incomplete
AR 12	<u>Property Taxes</u>	<u>Page 16</u>	Incomplete
AR 13	<u>Verification and Sworn Statement (Taxes)</u>	<u>Page 17</u>	Incomplete
AR 14	<u>Verification and Sworn Statement</u>	<u>Page 18</u>	Complete
AR 15	<u>Verification and Sworn Statement (Residential Revenue)</u>	<u>Page 19</u>	Complete
AR 16	<u>Full Gross-up Method for Income Tax Statement of Certificate</u>	<u>Page 20</u>	Complete

General Instructions: For each schedule, 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. This table of contents is intended to assist with the completeness of the Annual Report, and will not become part of the Annual Report that will be published on the Commission's website.

Note 1: the Pages highlighted in grey require input to properly complete the annual report. The other pages are linked and therefore automatically populate.

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Hydro-Resources, Inc.  
A Class ☒ Utility

For the Calendar Year Ended: 12/31/19

Primary Address: PO Box 3246  
City: Grand Canyon State: Arizona Zip Code: 86023

Telephone Number: 928-522-4405

Date of Original Organization of Utility: 7/8/2016

Person to whom correspondence should be addressed concerning this report:

Name: John W. Rueter  
Telephone No. : 928-522-4405  
Address: PO Box 3246  
City: Grand Canyon State: Arizona Zip Code: 86023  
Email: john@jwrueter.com

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

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

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

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

Ownership: "S" Corporation

Counties Served: Coconino

<b>Important changes during the year</b>
--

	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	<div></div>

	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	<div></div>

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	\$258,392			\$258,392	\$258,392	\$0
302	Franchises	0			0		0
303	Land and Land Rights	137,407			137,407	136,769	638
304	Structures and Improvements	22,696			22,696	3,024	19,672
305	Collecting & Improving Reservoirs	0			0		0
306	Lake, River, Canal Intakes	0			0		0
307	Wells and Springs	836,152	28,618		864,770	532,853	331,917
308	Infiltration Galleries	0			0		0
309	Supply Mains	0			0		0
310	Power Generation Equipment	0			0		0
311	Pumping Equipment	155,430	15,814		171,244	80,876	90,368
320	Water Treatment Equipment	0			0		0
320.1	Water Treatment Plants	0			0		0
320.2	Solution Chemical Feeders	0			0		0
320.3	Point-of-Use Treatment Devices	0			0		0
330	Distribution Reservoirs and Standpipes	0			0		0
330.1	Storage Tanks	64,341			64,341	46,780	17,561
330.2	Pressure Tanks	0			0		0
331	Transmission and Distribution Mains	155,554	60,106		215,660	12,915	202,745
333	Services	0			0		0
334	Meters and Meter Installations	47,149	673		47,822	8,068	39,754
335	Hydrants	0			0		0
336	Backflow Prevention Devices	0			0		0
339	Other Plant and Misc. Equipment	62,923			62,923	29,094	33,829
340	Office Furniture and Equipment	3,021			3,021	2,033	988
340.1	Computer & Software	0			0		0
341	Transportation Equipment	34,567			34,567	34,567	0
342	Stores Equipment	0			0		0
343	Tools, Shop and Garage Equipment	36,804	340		37,144	6,548	30,596
344	Laboratory Equipment	0			0		0
345	Power Operated Equipment	58,037			58,037	28,164	29,873
346	Communication Equipment	2,074			2,074	828	1,246
347	Miscellaneous Equipment	7,836	1,526		9,362	3,212	6,150
348	Other Tangible Plant	0			0		0
	<b>Totals</b>	<b>\$1,882,383</b>	<b>\$107,077</b>	<b>\$0</b>	<b>\$1,989,460</b>	<b>\$1,184,123</b>	<b>\$805,337</b>

Hydro-Resources, Inc.  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/19

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	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$258,392	\$0	\$0	\$258,392	\$258,392	\$0	0.00%	\$0
302	Franchises	0	0	0	0		0		0
303	Land and Land Rights	137,407	0	0	137,407		137,407	0.00%	0
304	Structures and Improvements	22,696	0	0	22,696		22,696	3.33%	756
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	836,152	28,618	0	864,770		864,770	3.33%	28,320
308	Infiltration Galleries	0	0	0	0		0		0
309	Supply Mains	0	0	0	0		0		0
310	Power Generation Equipment	0	0	0	0		0		0
311	Pumping Equipment	155,430	15,814	0	171,244		171,244	12.50%	20,417
320	Water Treatment Equipment	0	0	0	0		0		0
320.1	Water Treatment Plants	0	0	0	0		0		0
320.2	Solution Chemical Feeders	0	0	0	0		0		0
320.3	Point-of-Use Treatment Devices	0	0	0	0		0		0
330	Distribution Reservoirs and Standpipes	0	0	0	0		0		0
330.1	Storage Tanks	64,341	0	0	64,341		64,341	2.22%	1,428
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	155,554	60,106	0	215,660		215,660	2.00%	3,712
333	Services	0	0	0	0		0		0
334	Meters and Meter Installations	47,149	673	0	47,822		47,822	8.33%	3,956
335	Hydrants	0	0	0	0		0		0
336	Backflow Prevention Devices	0	0	0	0		0		0
339	Other Plant and Misc. Equipment	62,923	0	0	62,923		62,923	6.67%	4,197
340	Office Furniture and Equipment	3,021	0	0	3,021		3,021	6.67%	202
340.1	Computer & Software	0	0	0	0		0		0
341	Transportation Equipment	34,567	0	0	34,567		34,567	20.00%	5,828
342	Stores Equipment	0	0	0	0		0		0
343	Tools, Shop and Garage Equipment	36,804	340	0	37,144		37,144	5.00%	1,849
344	Laboratory Equipment	0	0	0	0		0		0
345	Power Operated Equipment	58,037	0	0	58,037		58,037	5.00%	2,902
346	Communication Equipment	2,074	0	0	2,074		2,074	10.00%	207
347	Miscellaneous Equipment	7,836	1,526	0	9,362		9,362	10.00%	860
348	Other Tangible Plant	0	0	0	0		0		0
	<b>Subtotal</b>	<b>\$1,882,383</b>	<b>\$107,077</b>	<b>\$0</b>	<b>\$1,989,460</b>	<b>\$258,392</b>	<b>\$1,731,068</b>		<b>\$74,634</b>

Contribution(s) in Aid of Construction (Gross)

Less: Non Amortizable Contribution(s)

Fully Amortized Contribution(s)

Amortizable Contribution(s)

Times: Proposed Amortization Rate

Amortization of CIAC

\$0

4.31%

\$0

Less: Amortization of CIAC **\$0**

**DEPRECIATION EXPENSE \$74,634**

Hydro-Resources, Inc.  
Annual Report  
Balance Sheet Assets  
12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$119,206	\$61,556
134	Working Funds			
135	Temporary Cash Investments		155,038	200,049
141	Customer Accounts Receivable		50,202	51,038
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments		7,274	7,514
174	Miscellaneous Current and Accrued Assets			
	<b>Total Current and Accrued Assets</b>		<b>\$331,720</b>	<b>\$320,157</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,882,383	\$1,989,460
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(1,109,489)	(1,184,123)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$772,894</b>	<b>\$805,337</b>
	<b>Total Assets</b>		<b>\$1,104,614</b>	<b>\$1,125,494</b>

\*Note these items feed automatically from AR3 UPIS Page 4

Hydro-Resources, Inc.  
Annual Report  
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$9,240	\$24,404
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits			
236	Accrued Taxes		5,984	6,819
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities		2,612	3,635
	<b>Total Current Liabilities</b>		<b>\$17,836</b>	<b>\$34,858</b>
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Deferred Credits			
251	Unamortized Premium on Debt			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction			
272	Less: Amortization of Contributions			
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$0</b>	<b>\$0</b>
	<b>Total Liabilities</b>		<b>\$17,836</b>	<b>\$34,858</b>
	Capital Accounts			
201	Common Stock Issued		\$50,000	\$50,000
211	Other Paid-In Capital		30,081	30,081
215	Retained Earnings		1,006,697	1,010,555
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>\$1,086,778</b>	<b>\$1,090,636</b>
	<b>Total Liabilities and Capital</b>		<b>\$1,104,614</b>	<b>\$1,125,494</b>

**Note: Total liabilities and Capital must match total assets for the beginning and end of the year!**



Hydro-Resources, Inc.  
Annual Report  
Water Comparative Income Statement  
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$616,910	\$592,763
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue		
	<b>Total Revenues</b>	<b>\$616,910</b>	<b>\$592,763</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$139,405	\$115,812
604	Employee Pensions and Benefits	3,125	1,775
610	Purchased Water	21,903	39,822
615	Purchased Power	57,547	62,021
618	Chemicals		
620	Materials and Supplies		
620.1	Repairs and Maintenance	76,684	45,557
620.2	Office Supplies and Expense	6,790	7,320
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	27,900	27,650
633	Contractual Services - Legal	10,377	5,678
634	Contractual Services - Management Fees	30,181	29,806
635	Contractual Services - Water Testing	5,235	3,929
636	Contractual Services - Other	26,343	6,159
640	Rents		
641	Rental of Building/Real Property	31,388	18,000
642	Rental of Equipment	7,911	4,250
650	Transportation Expenses	6,383	8,653
657	Insurance - General Liability	29,191	27,546
657.1	Insurance - Health and Life	11,429	6,837
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense	5,057	3,922
403	Depreciation Expense (From Schedule AR4)	74,634	72,643
408	Taxes Other Than Income	11,670	11,690
408.11	Property Taxes	37,591	40,163
409	Income Taxes		
427.1	Customer Security Deposit Interest		
	<b>Total Operating Expenses</b>	<b>\$620,744</b>	<b>\$539,233</b>
	<b>Operating Income / (Loss)</b>	<b>(\$3,834)</b>	<b>\$53,530</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$690	\$295
421	Non-Utility Income	30,528	31,224
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	<b>Total Other Income / (Expense)</b>	<b>\$31,218</b>	<b>\$31,519</b>
	<b>Net Income / (Loss)</b>	<b>\$27,384</b>	<b>\$85,049</b>

<b>Full time equivalent employees</b>
---------------------------------------

	Direct Company	Allocated	Outside service	Total
President	1.0			1.0
Vice-president				0.0
Manager				0.0
Engineering Staff				0.0
System Operator(s)	1.0			1.0
Meter reader				0.0
Customer Service				0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				1.0
<b>Total</b>	<b>2.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.0</b>

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amt. Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:	
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Meter Deposits Refunded During the Test Year:	
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<p><i>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.</i></p>
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## Well and Water Usage

[illegible]

Name of system water delivered to:	ADOT GRAND CANYON AIRPORT	
ADWR PCC Number:	91-000088.0000	
Source of water delivered to another system	Ground Water	

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

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense6	Purchased Power (kWh)7
January	2,610,515	2,361,816	112,014	0.00	172,413	\$ 5,847	62,623
February	2,059,880	1,841,974	90,956	0.00	139,990	\$ 4,730	49,918
March	2,708,370	2,608,968	134,642	0.00	67,833	\$ 5,079	47,787
April	3,163,812	2,891,967	255,138	0.00	182,194	\$ 5,346	60,068
May	2,857,995	2,667,340	183,986	380,988	175,242	\$ 4,909	53,537
June	3,158,059	2,839,773	184,452	312,450	196,135	\$ 5,078	56,348
July	3,409,960	3,128,398	184,940	281,550	159,549	\$ 5,191	58,757
August	3,373,763	3,091,972	201,500	249,500	166,870	\$ 4,670	51,801
September	2,475,111	2,296,021	183,641	294,435	94,137	\$ 5,372	60,959
October	2,867,958	2,616,989	123,464	0.00	164,870	\$ 5,023	56,146
November	2,535,417	2,313,759	114,989	0.00	124,943	\$ 5,021	56,466
December	2,085,898	1,893,689	115,980	0.00	111,728	\$ 1,792	30,542
<b>Totals</b>	<b>33,306,738.09</b>	<b>30,552,666.00</b>	<b>1,885,702.00</b>	<b>1,518,922.81</b>	<b>1,755,904</b>	<b>\$58.058</b>	<b>644,952</b>

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

- |   |
|---|
| 1 Water withdrawn - Total gallons of water withdrawn from pumped sources.   |
| 2 Water sold - Total gallons from customer meters, and other sales such as construction water.  |
| 3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems.  |
| 4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.   |
| 5 Estimated authorized use - Total estimated gallons 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:	Hydro Resources Tusayan		
ADEQ Public Water System Number:	403312		
ADWR PCC Number:	91-000109.0000		

## MAINS

[illegible]

## CUSTOMER METERS

[illegible]

## SERVICE LINES

SERVICE LINES		
Material	Percent of system	Year installed

## BOOSTER PUMPS

BOOSTER PUMPS		
Horsepower	GPM	Quantity
250	2,500	1

## **FIRE HYDRANTS**

Type	Quantity
Standard *	22
Other	

## STORAGE TANKS

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
525,000	STEEL BOLTED	1	1975
3,000,000	STEEL WELDED (LEASED)	1	1991

## PRESSURE/BLADDER TANKS

[illegible]

\* 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.

<b>Water Utility Plant Description (Continued)</b>
--

For the following three items, list the utility owned assets in each category for each system.

<b>TREATMENT EQUIPMENT:</b>	4 SODIUM HYPOCHLORITE FEED PUMPS
<b>STRUCTURES:</b>	WELLHOUSES,FENCES, RETAINING WALL, CONTROL SHEDS AT TUSAYAN #2, FIRE PUMP SHED
<b>OTHER:</b>	IMPROVED ACCESS ROAD TO WELL #2. IMPROVED CINDER PAD AT TANK STORAGE AREA

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:  

$$ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day} )$$

ERC 



  
 Method used:

Customer and Other Information	
Name of the System:	HYDRO RESOURCES TUSAYAN
ADEQ Public Water System Number:	403312
ADWR PCC Number:	91-000109.0000

Month	Number of Customers					Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation		
January	30	3	20	1		1
February	30	3	20	1		1
March	30	3	20	1		1
April	30	3	20	1		1
May	30	3	20	1		1
June	30	3	20	1		1
July	30	3	20	1		1
August	30	3	20	1		1
September	30	3	20	1		1
October	30	3	20	1		1
November	30	3	20	1		1
December	30	3	20	1		1

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 (GPCPD) requirement?

If yes, provide the GPCPD amount:

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

If yes, which AMA?

What is the present system connection capacity (in ERCs \*) using existing lines?

What is the future system connection capacity (in ERCs \*) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

\* an ERC is based on the calculation on the bottom of AR9 page 12.

Hydro-Resources, Inc.  
Annual Report  
Utility Shutoffs / Disconnects  
12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	HYDRO RESOURCES TUSAYAN
ADEQ Public Water System Number:	403312
ADWR PCC Number:	91-000088.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	0	
February	0	0	
March	0	0	
April	0	0	
May	0	0	
June	0	0	
July	0	0	
August	0	0	
September	0	0	
October	0	0	
November	0	0	
December	0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other (description):

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



Hydro-Resources, Inc.  
Annual Report  
Property Taxes  
12/31/19

## Property Taxes

Amount of actual property taxes paid during Calendar Year 2019 was

**\$37,591**

If no property taxes paid, explain why.

**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.

**Verification and Sworn Statement (Taxes)**

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

County of (county name): Coconino  
Name (owner or official) title: John W. Rueter President/CEO  
Company name: Hydro-Resources, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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:**

**RECEIVED  
BY EMAIL**

3/23/2020, 9:16 AM  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

John Rueter  
signature of owner/official

928-522-4405  
telephone no.

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

THIS

20

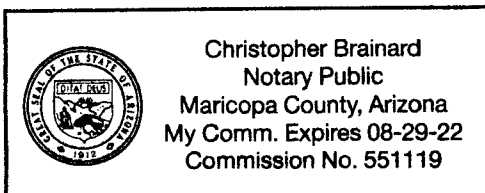
DAY OF

Maricopa  
(county name)

March 2020  
(month) and (year)

MY COMMISSION EXPIRES

Aug 29, 2022  
(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): Coconino

Name (owner or official) title: John W. Rueter President/CEO

Company name: Hydro-Resources, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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:

**RECEIVED  
BY EMAIL**

3/23/2020, 9:16 AM  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

Arizona Intrastate Gross Operating Revenues Only (\$)

\$671,815

(The amount in the box above includes

\$54,905 in sales taxes

billed or collected)

John Rueter  
signature of owner/official

9285224405

telephone no.

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

Maricopa  
(county name)

THIS 20 DAY OF March 2020  
(month) and (year)



Christopher Brainard  
Notary Public  
Maricopa County, Arizona  
My Comm. Expires 08-29-22  
Commission No. 551119

MY COMMISSION EXPIRES

Aug 29, 2022  
(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): Coconino  
Name (owner or official) title: John W. Rueter  
Company name: Hydro-Resources, Inc.

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$173,205

(The amount in the box above includes

\$14,155

in sales taxes

billed or collected)

**RECEIVED  
BY EMAIL**

3/23/2020, 9:16 AM

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

John Rueter  
signature of owner/official

928-522-4405

telephone no.

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

Maricopa  
(county name)

THIS

20

DAY OF

March 2020  
(month) and (year)

MY COMMISSION EXPIRES

Aug 29, 2022  
(date)



Christopher Brainard  
Notary Public  
Maricopa County, Arizona  
My Comm. Expires 08-29-22  
Commission No. 551119

[Signature]  
(signature of notary public)

Hydro-Resources, Inc.  
Annual Report  
Full Gross-up Method for Income Tax Statement of Certification  
12/31/19

**Full Gross-up Method for Income Tax Statement of Certification**

**Verification:**

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

County of (county name):

COCONINO

Name (owner or official) title:

John W. Rueter President /CEO

Company name:

Hydro-Resources, Inc.

FOR THE YEAR ENDING: 12/31/19

**Sworn Statement:**

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

**RECEIVED  
BY EMAIL**

3/23/2020, 9:16 AM  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

John W. Rueter  
signature of owner/official

928-522-4405  
telephone no.

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

Maricopa  
(county name)

THIS

20

DAY OF

March 2020  
(month) and (year)

MY COMMISSION EXPIRES

Aug 29, 2022  
(date)



Christopher Brainard  
Notary Public  
Maricopa County, Arizona  
My Comm. Expires 08-29-22  
Commission No. 551119

[Signature]  
(signature of notary public)