

# ANNUAL REPORT

Of

Company Name: Lake Verde Water Company, Inc.  
PO Box 2777

Mailing Address: Camp Verde AZ  
86322

Docket No.: W-01557A  
For the Year Ended: 12/31/16



## 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:  
Application Date:

Original Filing
2016

4-11-17

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Lake Verde Water Company, Inc.  
A Class ☐ Utility

1. For the Calendar Year Ended: 12/31/16

2. Address: 

738 S Parks Drive			
City:	Camp Verde	State:	Arizona
Zip Code:	86322		

3. Telephone Number: 

928-567-8592
--------------

4. Date of Original Organization of Utility: 

6/16/1994
-----------

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

Name: 

Brenda McDonald
-----------------

  
Telephone No. : 

928-301-5076
--------------

  
Address: 

PO BOX 3270			
City:	Camp Verde	State:	Arizona
Zip Code:	86322		

  
Email: 

bmancos@gmail.com
-------------------

6. On-Site Manager:

Name: 

Alan Williams
---------------

  
Telephone No. : 

928-300-0541
--------------

  
Address: 

2180 E Amy Drive			
City:	Camp Verde	State:	Arizona
Zip Code:	86322		

  
Email: 

alan@verdelakeswater.com
--------------------------

7. Ownership: 

"S" Corporation
-----------------

8. Counties Served: 

Yavapai
---------

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	\$7,590	\$0	\$0	\$7,590	\$7,590	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	10,000	0	0	10,000	0	10,000
304	Structures and Improvements	0	0	0	0	0	0
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	5,016	0	0	5,016	5,016	0
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	24,804	0	0	24,804	24,804	0
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	0	0	0	0	0	0
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	19,032	0	0	19,032	19,032	0
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	955	0	0	955	955	0
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	380	0	0	380	380	0
340.1	Computer & Software	1,925	477	0	2,402	1,939	463
341	Transportation Equipment	1,894	1,406	0	3,300	2,035	1,265
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	361	0	361	9	352
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	1,263	0	0	1,263	1,263	0
346	Communication Equipment	461	0	0	461	461	0
347	Miscellaneous Equipment	312	0	0	312	312	0
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$73,632</b>	<b>\$2,244</b>	<b>\$0</b>	<b>\$75,876</b>	<b>\$63,796</b>	<b>\$12,080</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.

Lake Verde Water Company, Inc.  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/16

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	\$7,590	\$0	\$0	\$7,590	\$7,590	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	10,000	0	0	10,000	10,000	0.00%	0
304	Structures and Improvements	0	0	0	0	0	3.33%	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	2.50%	0
307	Wells and Springs	5,016	0	0	5,016	5,016	3.33%	0
308	Infiltration Galleries	0	0	0	0	0	6.67%	0
309	Supply Mains	0	0	0	0	0	2.00%	0
310	Power Generation Equipment	0	0	0	0	0	5.00%	0
311	Pumping Equipment	24,804	0	0	24,804	24,804	12.50%	0
320	Water Treatment Equipment	0	0	0	0	0	-	0
320.1	Water Treatment Plants	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	10.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	-	0
330.1	Storage Tanks	0	0	0	0	0	2.22%	0
330.2	Pressure Tanks	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	19,032	0	0	19,032	19,032	2.00%	0
333	Services	0	0	0	0	0	3.33%	0
334	Meters and Meter Installations	955	0	0	955	955	8.33%	0
335	Hydrants	0	0	0	0	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	6.67%	0
340	Office Furniture and Equipment	380	0	0	380	380	6.67%	0
340.1	Computer & Software	1,925	477	0	2,402	1,925	20.00%	48
341	Transportation Equipment	1,894	1,406	0	3,300	1,894	20.00%	141
342	Stores Equipment	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	0	361	0	361	0	5.00%	9
344	Laboratory Equipment	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	1,263	0	0	1,263	1,263	5.00%	0
346	Communication Equipment	461	0	0	461	461	10.00%	0
347	Miscellaneous Equipment	312	0	0	312	312	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$73,632</b>	<b>\$2,244</b>	<b>\$0</b>	<b>\$75,876</b>	<b>\$73,632</b>		<b>\$197</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	8.79%
<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.

Lake Verde Water Company, Inc.  
Annual Report  
Balance Sheet Assets  
12/31/16

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$10,816	\$10,217
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		1,392	5,176
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>\$12,208</b>	<b>\$15,393</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$73,632	\$75,876
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	69,000
108	Accumulated Depreciation (enter as negative)*		(63,632)	(63,796)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$10,000</b>	<b>\$81,080</b>
	<b>Total Assets</b>		<b>\$22,208</b>	<b>\$96,473</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

Lake Verde Water Company, Inc.  
Annual Report  
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
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		0	0
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		1,342	1,968
	<b>Total Current Liabilities</b>		<b>\$1,342</b>	<b>\$1,968</b>
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$14,585	\$83,585
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
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>\$0</b>	<b>\$0</b>
	<b>Total Liabilities</b>		<b>\$15,927</b>	<b>\$85,553</b>
	Capital Accounts			
201	Common Stock Issued		\$90,000	\$90,000
211	Other Paid-In Capital		19,200	19,200
215	Retained Earnings		(102,919)	(98,280)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>\$6,281</b>	<b>\$10,920</b>
	<b>Total Liabilities and Capital</b>		<b>\$22,208</b>	<b>\$96,473</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!

Lake Verde Water Company, Inc.  
Annual Report  
Water Comparative Income Statement  
12/31/16

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$19,373	\$18,190
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	30,367	11,099
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	<b>Total Revenues</b>	<b>\$49,740</b>	<b>\$29,289</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$30,000	\$4,298
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	3,085	1,881
618	Chemicals	298	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	360	0
620.2	Office Supplies and Expense	2,440	1,069
630	Contractual Services	0	4,629
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	550	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	812	3,014
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	6,000	2,089
642	Rental of Equipment	0	0
650	Transportation Expenses	1,406	1,082
657	Insurance - General Liability	2,473	753
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
675	Miscellaneous Expense	0	6,709
403	Depreciation Expense (From Schedule AR4)	197	2,209
408	Taxes Other Than Income	0	0
408.11	Property Taxes	750	918
409	Income Taxes	1,317	0
	<b>Total Operating Expenses</b>	<b>\$49,688</b>	<b>\$28,651</b>
	<b>Operating Income / (Loss)</b>	<b>\$52</b>	<b>\$638</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)	0	0
	<b>Total Other Income / (Expense)</b>	<b>\$0</b>	<b>\$0</b>
	<b>Net Income / (Loss)</b>	<b>\$52</b>	<b>\$638</b>

**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.

Lake Verde Water Company, Inc.  
Annual Report  
Supplemental Financial Data (Long-Term Debt)  
12/31/16

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	11/1/2016	Various dates	NA	NA
Source of Loan	WIFA	Dugan & Brenda (Own	0	0
ACC Decision No.	75159	0	0	0
Reason for Loan	Arsenic Removal S	Emergency Repairs	0	0
Dollar Amt. Issued	\$50,000	\$14,585	\$0	\$0
Amount Outstanding	\$49,721	\$14,585	\$0	\$0
Date of Maturity	7/1/2036	NA	NA	NA
Interest Rate	5.50%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$279	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$0
---	-----

Meter Deposits Refunded During the Test Year:	\$0
---	-----

***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.***

### Water Utility Plant Description

Name of the System: Lake Verde Water Company, Inc.  
ADEQ Public Water System Number: 13038

#### WELLS

ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
643828	3	45	65	6	Submersible	2	1958	22
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

#### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	0	0
None	0	0

#### BOOSTER PUMPS

Horsepower	GPM	Quantity
None	0	0
0	0	0
0	0	0
0	0	0

#### FIRE HYDRANTS

Type	Quantity
Standard ***	0
Other	0

#### STORAGE TANKS

Capacity	Material	Quantity
5,000	None	1
0	0	0
0	0	0

#### PRESSURE/BLADDER TANKS

Capacity	Quantity
2,000	1
250	1
0	0

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

\* Arizona Department of Water Resources ("ADWR") well identification number. For example 55-XXXXXX.

\*\* Pump motor type, turbine or submersible.

\*\*\* 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.

Lake Verde Water Company, Inc.  
Annual Report  
Water Utility Plant Description (Continued)  
12/31/16

Water Utility Plant Description (Continued)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
2	Black Iron	5,220	5/8 X 3/4	68
3	Black Iron	0	3/4	0
4	0	0	1	0
5	0	0	1 1/2	0
6	0	0	Compound 2	0
8	0	0	Turbine 2	0
10	0	0	Compound 3	0
12	0	0	Turbine 3	0
0	0	0	Compound 4	0
0	0	0	Turbine 5	0
0	0	0	Compound 6	0
0	0	0	Turbine 6	0
0	0	0	6+	0

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

<b>TREATMENT EQUIPMENT:</b>	Na
-----------------------------	----

<b>STRUCTURES:</b>	Na
--------------------	----

<b>OTHER:</b>	Na
---------------	----

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

Lake Verde Water Company, Inc.  
Annual Report  
Water Use Data Sheet  
12/31/16

Water Use Data Sheet					
Name of the System:		Lake Verde Water Company, Inc			
ADEQ Public Water System Number:		13038			
Month	Number of Customers	Gallons Sold (thousands) <sup>1</sup>	Gallons Pumped (thousands) <sup>2</sup>	Gallons Purchased (thousands) <sup>3</sup>	Estimated Gallons Authorized Use (thousands) <sup>4</sup>
January	61	220	247	0	4
February	63	190	212	0	5
March	61	241	244	0	3
April	63	455	512	0	3
May	63	486	682	0	3
June	62	641	853	0	4
July	63	834	899	0	4
August	63	495	525	0	3
September	63	529	612	0	5
October	63	418	508	0	4
November	63	399	412	0	3
December	63	301	335	0	3
Totals		5,209	6,041	0	44

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

Does the system have chlorination treatment?

Is the Water Utility located in an ADWR Active Management Area (AMA)?   
If yes, which AMA?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?   
If yes, provide the GPCPD amount:

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

In the months of May and June we had a leak that we could not find and that is why there is a high number for gallons pumped vs gallons sold.

**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.

1 Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.

2 Gallons pumped - Total gallons from pumped sources.

3 Gallons purchased - Total gallons purchased from other sources.

4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

Lake Verde Water Company, Inc.  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/16

ADEQ System No. :	13038
-------------------	-------

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	1	0
February	0	0	0
March	0	0	0
April	0	1	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	1	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>3</b>	<b>0</b>

Other (description):

None

**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.

Lake Verde Water Company, Inc.  
Annual Report  
Property Taxes  
12/31/16

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2016 was	\$918

<p>If no property taxes paid, explain why.</p> <p>None</p>
--

**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.

Lake Verde Water Company, Inc.  
Annual Report  
Verification and Statement (Taxes)  
12/31/16

Verification and Statement (Taxes)

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

County of (county name):

Yavapai

Name (owner or official) title:

Dugan McDonald

Company name:

Lake Verde Water Company, Inc.

RECEIVED

APR 10 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING:

12/31/16

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.

Dugan McDonald  
signature of owner/official

928-567-8592

telephone no.

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

THIS

10

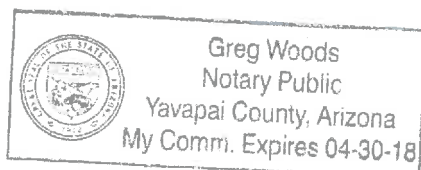
DAY OF

Yavapai  
(county name)

April 2017  
(month) and (year)

MY COMMISSION EXPIRES

4-30-18  
(date)



Greg Woods  
(signature of notary public)

Verification and Statement

Verification:

State of Arizona I, the undersigned of the  
(state name)  
County of (county name): Yavapai  
Name (owner or official) title: Dugan McDonald  
Company name: Lake Verde Water Company, Inc.

RECEIVED

APR 10 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/16

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:

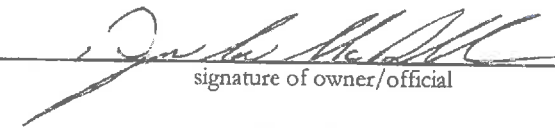
Arizona Intrastate Gross Operating Revenues Only (\$)

\$49,741

(The amount in the box above includes

\$1,317 in sales taxes

billed or collected)

  
signature of owner/official  
928-567-8592  
telephone no.

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

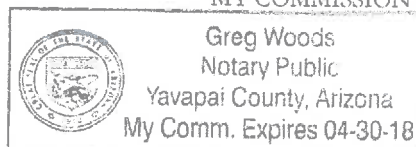
THIS

10

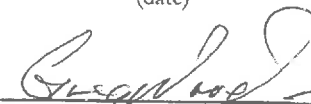
DAY OF

Yavapai  
(county name)  
April 2017  
(month) and (year)

MY COMMISSION EXPIRES



4-30-18  
(date)

  
signature of notary public)

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name):

Yavapai

Name (owner or official) title:

Dugan McDonald

Company name:

Lake Verde Water Company, Inc.

RECEIVED

APR 10 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/16

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 (\$)

\$49,741

(The amount in the box above includes

\$1,317

in sales taxes  
billed or collected)

Dugan McDonald  
signature of owner/official

928-567-8592

telephone no.

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

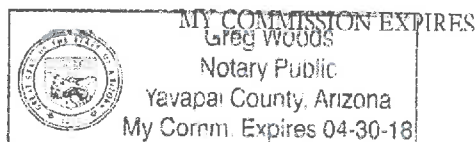
Yavapai  
(county name)

THIS

10

DAY OF

April 2017  
(month) and (year)



4-30-18  
(date)

Greg Woods  
(signature of notary public)