

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: 12/31/19

**RECEIVED
BY EMAIL**

4/15/2020, 08:31 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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: 4/15/2020

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

For the Calendar Year Ended:

Primary Address:
 City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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

On-Site Manager

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

Owner

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

NA

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

NA

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

Ownership:

Counties Served:

Important changes during the year

No	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.
	na

No	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.
	na

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	\$336	\$0	\$0	\$336	\$336	\$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	71,098	0	0	71,098	6,512	64,586
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	4,852	164
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	6,182	0	0	6,182	(7,138)	13,320
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	36,300	0	0	36,300	3,326	32,974
320.2	Solution Chemical Feeders	144	0	0	144	62	82
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	22,195	0	0	22,195	1,540	20,655
330.2	Pressure Tanks	2,500	0	0	2,500	313	2,187
331	Transmission and Distribution Mains	33,128	0	0	33,128	31,200	1,928
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	2,150	500	0	2,650	1,168	1,482
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	708	0	0	708	279	429
340.1	Computer & Software	1,100	0	0	1,100	800	300
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	2,255	0	0	2,255	1,946	309
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	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	211	(211)
	Totals	\$193,885	\$500	\$0	\$194,385	\$46,180	\$148,205

Lake Verde Water Company, 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	\$336	\$0	\$0	\$336	\$336	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	10,000	0	0	10,000	10,000	0	0.00%	0
304	Structures and Improvements	71,098	0	0	71,098	0	71,098	3.33%	2,368
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	0
307	Wells and Springs	5,016	0	0	5,016	1,458	3,558	3.33%	118
308	Infiltration Galleries	0	0	0	0	0	0	6.67%	0
309	Supply Mains	0	0	0	0	0	0	2.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	5.00%	0
311	Pumping Equipment	6,182	0	0	6,182	0	6,182	12.50%	773
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	36,300	0	0	36,300	0	36,300	3.33%	1,209
320.2	Solution Chemical Feeders	144	0	0	144	0	144	20.00%	29
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	10.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	22,195	0	0	22,195	0	22,195	2.22%	493
330.2	Pressure Tanks	2,500	0	0	2,500	0	2,500	5.00%	125
331	Transmission and Distribution Mains	33,128	0	0	33,128	5,232	27,896	2.00%	558
333	Services	0	0	0	0	0	0	3.33%	0
334	Meters and Meter Installations	2,150	500	0	2,650	910	1,740	8.33%	124
335	Hydrants	0	0	0	0	0	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	6.67%	0
340	Office Furniture and Equipment	708	0	0	708	190	518	6.67%	35
340.1	Computer & Software	1,100	0	0	1,100	0	1,100	20.00%	220
341	Transportation Equipment	0	0	0	0	0	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	2,255	0	0	2,255	480	1,775	5.00%	89
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	5.00%	0
346	Communication Equipment	461	0	0	461	461	0	10.00%	0
347	Miscellaneous Equipment	312	0	0	312	312	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$193,885	\$500	\$0	\$194,385	\$19,379	\$175,006		\$6,139

Contribution(s) in Aid of Construction (Gross)	\$100,000
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$100,000
Times: Proposed Amortization Rate	3.51%
Amortization of CIAC	\$3,508

Less: Amortization of CIAC \$3,508

DEPRECIATION EXPENSE **\$2,631**

Lake Verde Water Company, 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.	Current and Accrued Assets			
131	Cash		\$1,855	\$4,073
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		5,643	4,265
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
	Total Current and Accrued Assets		\$7,498	\$8,338
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$193,885	\$194,385
103	Property Held for Future Use		0	34,071
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(39,704)	(46,180)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$154,181	\$182,276
	Total Assets		\$161,679	\$190,614

*Note these items feed automatically from AR3 UPIS Page 4

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 (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$516	\$2,613
232	Notes Payable (Current Portion)		9,201	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		1,631	0
	Total Current Liabilities		\$11,348	\$2,613
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$43,884	\$44,348
	Deferred Credits			
251	Unamortized Premium on Debt		\$685	\$685
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		100,000	100,000
272	Less: Amortization of Contributions		(7,167)	(10,957)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$93,518	\$89,728
	Total Liabilites		\$148,750	\$136,689
	Capital Accounts			
201	Common Stock Issued		\$90,000	\$90,000
211	Other Paid-In Capital		19,200	19,200
215	Retained Earnings		(96,271)	(55,275)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$12,929	\$53,925
	Total Liabilities and Capital		\$161,679	\$190,614

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
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$59,220	\$16,821
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	38,691
471	Miscellaneous Service Revenues	0	20
474	Other Water Revenue	0	0
	Total Revenues	\$59,220	\$55,532
	Operating Expenses		
601	Salaries and Wages	\$36,859	\$28,385
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	2,920	3,316
618	Chemicals	20	0
620	Materials and Supplies	9,021	1,343
620.1	Repairs and Maintenance	2,167	5,629
620.2	Office Supplies and Expense	1,136	1,691
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	275	275
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	1,461	1,337
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	3,500	5,600
642	Rental of Equipment	239	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	2,333	1,556
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	882	745
403	Depreciation Expense (From Schedule AR4)	2,631	3,186
408	Taxes Other Than Income	0	0
408.11	Property Taxes	1,649	1,188
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$65,093	\$54,251
	Operating Income / (Loss)	(\$5,873)	\$1,281
	Other Income / (Expense)		
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
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$5,873)	\$1,281

Lake Verde Water Company, Inc.
Annual Report
Full time equivalent employees
12/31/19

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0	0.0	0.0	1.0
Vice-president	1.0	0.0	0.0	1.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.5	0.0	0.0	0.5
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	1.0	1.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.5	0.0	0.0	0.5
Other	0.0	0.0	0.0	0.0
Total	3.0	0.0	1.0	4.0

Lake Verde Water Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/19

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	11/1/2016	NA	NA	NA
Source of Loan	WIFA	0	0	0
ACC Decision No.	75159	0	0	0
Reason for Loan	Arsenic Removal	0	0	0
Dollar Amt. Issued	\$50,000	\$0	\$0	\$0
Amount Outstanding	\$44,348	\$0	\$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	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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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											
Name of the System:		LAKE VERDE WATER COMPANY									
ADEQ Public Water System Number:		AZ0413038									
ADWR PCC Number:		91-000627.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2019	Meter Size (inches)	How measured:	Active
55-643838	3	45	65	6	Submersible	1958	0	0	2	Metered	Yes
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A
NA	0	0	0	0	0	0	0	0	0	N/A	N/A

Name of system water delivered to: LAKE VERDE WATER COMPANY
 ADWR PCC Number: 91-000627.0000
 Source of water delivered to another system: Verde River

Name of system water received from: NA
 ADWR PCC Number: #N/A
 Source of water received: Verde River
 Well registry 55# (55-XXXXXX): 55-643838

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 Expense ⁶	Purchased Power (kWh) ⁷
January	253,300.00	244,250.00	0.00	0.00	0.00	\$0	0
February	278,800.00	260,950.00	0.00	0.00	0.00	0	0
March	321,120.00	312,600.00	0.00	0.00	0.00	0	0
April	386,500.00	374,380.00	0.00	0.00	0.00	0	0
May	458,400.00	445,354.00	0.00	0.00	0.00	0	0
June	696,586.00	674,800.00	0.00	0.00	0.00	0	0
July	604,400.00	569,660.00	0.00	0.00	0.00	0	0
August	435,200.00	414,460.00	0.00	0.00	0.00	0	0
September	562,500.00	551,830.00	0.00	0.00	0.00	0	0
October	281,600.00	267,830.00	0.00	0.00	0.00	0	0
November	276,700.00	256,190.00	0.00	0.00	0.00	0	0
December	220,100.00	215,430.00	0.00	0.00	0.00	0	0
Totals	4,777,206.00	4,587,734.00	0.00	0.00	0.00	\$0	0

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

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:	LAKE VERDE WATER COMPANY
ADEQ Public Water System Number:	AZ0413038
ADWR PCC Number:	91-000627.0000

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	Black Iron	5,220
3.00	Black Iron	0
4.00	Black Iron	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	64	0%	75%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%

SERVICE LINES			
Material	Percent of system	Year installed	
PVC	100%	1994	
NA	0%	NA	
NA	0%	NA	
NA	0%	NA	
NA	0%	NA	

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
7 1/2	125	2	
0	0	0	
0	0	0	
0	0	0	

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS				
Capacity (gallons)	Material	Quantity	Year installed	
10,000	Poly	3	2017	
NA	NA	0	0	
NA	NA	0	0	
NA	NA	0	0	
NA	NA	0	0	
NA	NA	0	0	

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	Steel	1	2017
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

* 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.

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

TREATMENT EQUIPMENT:	Arsenic Removal System
STRUCTURES:	Building holding the Arsenic Removal System 30x40
OTHER:	1 2" meter, 1-3 horsepower submersable pump 45 Gpm, 1-21 cubic feet media tank, and 1 prefilter

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:

36

 Method used:

(b)

Customer and Other Information	
Name of the System:	LAKE VERDE WATER COMPANY
ADEQ Public Water System Number:	AZ0413038
ADWR PCC Number:	91-000627.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	64	0	0	0	0
February	64	0	0	0	0
March	64	0	0	0	0
April	64	0	0	0	0
May	64	0	0	0	0
June	64	0	0	0	0
July	64	0	0	0	0
August	64	0	0	0	0
September	64	0	0	0	0
October	64	0	0	0	0
November	64	0	0	0	0
December	64	0	0	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 (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.

NA

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

Lake Verde Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	LAKE VERDE WATER COMPANY
ADEQ Public Water System Number:	AZ0413038
ADWR PCC Number:	91-000627.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	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	0	0
December	0	0	0
Total	0	0	0

Other (description):

None

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.

Property Taxes

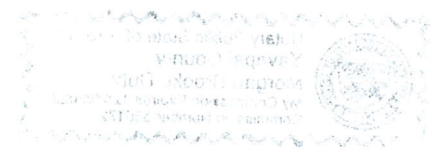
Amount of actual property taxes paid during Calendar Year 2019 was \$1,649

If no property taxes paid, explain why.

NA

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.

Frank M. [unclear]



RECEIVED
BY EMAIL

Verification and Sworn Statement (Taxes)

4/15/2020, 08:31 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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.

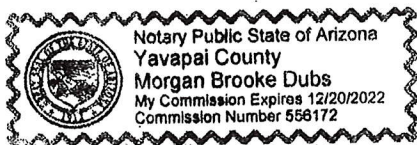
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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: 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.



Brenda McDonald

signature of owner/official

928 301-5964

telephone no.

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

THIS

15th

DAY OF

Yavapai

(county name)

April 2020
(month) and (year)

MY COMMISSION EXPIRES

12/20/22
(date)

Morgan Brooke Dubs
(signature of notary public)

RECEIVED
BY EMAIL

Verification and Sworn Statement

4/15/2020, 08:31 AM

Verification:

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

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

County of (county name): Yavapai
Name (owner or official) title: Dugan McDonald
Company name: Lake Verde Water Company, 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:

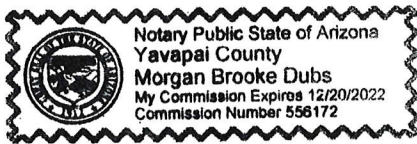
Arizona Intrastate Gross Operating Revenues Only (\$)

\$62,925

(The amount in the box above includes

\$3,704 in sales taxes

billed or collected)



Brenda McDonald
signature of owner/official

928 301-5964

telephone no.

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

THIS

15th

DAY OF

Yavapai
(county name)
April 2020
(month) and (year)

MY COMMISSION EXPIRES

12/20/22
(date)

[Signature]
(signature of notary public)