### ANNUAL REPORT

Of

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**BY EMAIL** 

Company Name: Mormon Lake Water Co.

PO Box 29041

Mailing Address:

Phoenix AZ

85038

Docket No.: W-01472A 7/01/2020 11:59 AM

For the Year Ended: 12/31/19 ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

### **WATER UTILITY**

To

Arizona Corporation Commission

#### **Due on April 15th**

Application Type: Original Filing
Application Date: 6/29/2020

## ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT

Mormon Lake Water Co.

| For the Calendar Year F | Ended: <u>12/31/19</u>   |            |                   |              |      |
|-------------------------|--------------------------|------------|-------------------|--------------|------|
| Primary Address:        | P.O. BOX 29041           |            |                   |              |      |
|                         | PHOENIX                  |            | State: Arizona    | Zip Code: 8: | 5038 |
| ,                       |                          |            |                   |              |      |
| Telephone Number:       | (480) 998-8888           |            |                   |              |      |
| Date of Original Organi | zation of Utility:       | 2/28/1     | 1986              |              |      |
|                         | ondence should be addres | sed concer | ning this report: |              |      |
|                         | SCOTT GOLD               |            |                   |              |      |
| Telephone No.:          |                          |            |                   |              |      |
| Address:                | P.O. BOX 38012           |            |                   |              |      |
| •                       | MORMON LAKE              |            | State: ARIZONA    | Zip Code: 8  | 6038 |
| Email:                  | N/A                      |            |                   |              |      |
| On-Site Manager         |                          |            |                   |              |      |
|                         | JIM SORGATZ              |            | 1                 |              |      |
| Telephone No. :         |                          |            | -                 |              |      |
| =                       | P.O. BOX 38012           |            |                   |              |      |
|                         | MORMON LAKE              |            | State: ARIZONA    | Zip Code: 80 | 6038 |
| Email:                  | L.                       |            | State. MAZOWA     | Zip code.    | 0036 |
| Emair.                  | 11//1                    |            |                   |              |      |
|                         |                          |            |                   |              |      |
| Name:                   |                          |            |                   |              |      |
| Telephone No.:          |                          |            | 1                 |              |      |
| Address:                |                          |            |                   |              |      |
| City:                   |                          |            | State:            | Zip Code:    |      |
| Email:                  |                          |            |                   |              |      |
|                         |                          |            |                   |              |      |
| Name:                   |                          |            |                   |              |      |
| Telephone No.:          |                          |            | 1                 |              |      |
| Address:                |                          |            |                   |              |      |
| City:                   |                          |            | State:            | Zip Code:    |      |
| Email:                  |                          |            | State.            | Zip Code.    |      |
| Lillan.                 |                          |            |                   |              |      |
|                         |                          |            |                   |              |      |
| Name:                   |                          |            |                   |              |      |
| Telephone No.:          |                          |            |                   |              |      |
| Address:                |                          |            |                   |              |      |
| City:                   |                          |            | State:            | Zip Code:    |      |
| Email:                  |                          | •          |                   | <u> </u>     |      |
| Ownership:              | "C" Corporation          |            | 7                 |              |      |
| ownership.              | Corporation              |            | J                 |              |      |
| Counties Served:        | Coconino                 |            | 7                 |              |      |

# ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Mormon Lake Water Co.

|      | Important changes during the year  |
|------|--|
|      |  |
|      | or those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the |
|      | ear?   |
| 11   | yes, please provide specific details in the box below.   |
|      |  |
|      |  |
|      |  |
|      |  |
|      |  |
|      |  |
|      |  |
| No H | as the company been notified by any other regulatory authorities during the year, that they are out of compliance?                 |
|      | yes, please provide specific details in the box below.   |
|      |  |
|      |  |
|      |  |
|      |  |
|      |  |
|      |  |

| Utility Plant in Service (Water) |  |                |              |              |               |              |               |  |
|----------------------------------|--|----------------|--------------|--------------|---------------|--------------|---------------|--|
| Account                          | Description                            | Beginning Year | Current Year | Current Year | Adjusted      | Accumulated  | OCLD (OC less |  |
| No.                              | _                                      | Original Cost  | Additions    | Retirements  | Original Cost | Depreciation | AD)           |  |
| 301                              | Organization                           |                |              |              | \$0           |              | \$0           |  |
| 302                              | Franchises                             |                |              |              | 0             |              | 0             |  |
| 303                              | Land and Land Rights                   |                |              |              | 0             |              | 0             |  |
| 304                              | Structures and Improvements            | 15,257         |              |              | 15,257        | 13,080       | 2,177         |  |
| 305                              | Collecting & Improving Reservoirs      |                |              |              | 0             |              | 0             |  |
| 306                              | Lake, River, Canal Intakes             |                |              |              | 0             |              | 0             |  |
| 307                              | Wells and Springs                      | 39,209         |              |              | 39,209        | 36,438       | 2,771         |  |
| 308                              | Infiltration Galleries                 |                |              |              | 0             |              | 0             |  |
| 309                              | Supply Mains                           |                |              |              | 0             |              | 0             |  |
| 310                              | Power Generation Equipment             |                |              |              | 0             |              | 0             |  |
| 311                              | Pumping Equipment                      | 19,099         |              |              | 19,099        | 8,646        | 10,453        |  |
| 320                              | Water Treatment Equipment              |                |              |              | 0             |              | 0             |  |
| 320.1                            | Water Treatment Plants                 | 12,356         |              |              | 12,356        | 11,610       | 746           |  |
| 320.2                            | Solution Chemical Feeders              |                |              |              | 0             |              | 0             |  |
| 320.3                            | Point-of-Use Treatment Devices         |                |              |              | 0             |              | 0             |  |
| 330                              | Distribution Reservoirs and Standpipes |                |              |              | 0             |              | 0             |  |
| 330.1                            | Storage Tanks                          | 21,561         |              |              | 21,561        | 19,893       | 1,668         |  |
| 330.2                            | Pressure Tanks                         |                |              |              | 0             |              | 0             |  |
| 331                              | Transmission and Distribution Mains    |                |              |              | 0             |              | 0             |  |
| 333                              | Services                               |                |              |              | 0             |              | 0             |  |
| 334                              | Meters and Meter Installations         | 25,109         |              |              | 25,109        | 25,109       | 0             |  |
| 335                              | Hydrants                               |                |              |              | 0             |              | 0             |  |
| 336                              | Backflow Prevention Devices            |                |              |              | 0             |              | 0             |  |
| 339                              | Other Plant and Misc. Equipment        | 44,817         |              |              | 44,817        | 44,022       | 795           |  |
| 340                              | Office Furniture and Equipment         | 1,959          |              |              | 1,959         | 1,959        | 0             |  |
| 340.1                            | Computer & Software                    |                |              |              | 0             |              | 0             |  |
| 341                              | Transportation Equipment               | 9,987          |              |              | 9,987         | 9,987        | 0             |  |
| 342                              | Stores Equipment                       |                |              |              | 0             |              | 0             |  |
| 343                              | Tools, Shop and Garage Equipment       |                |              |              | 0             |              | 0             |  |
| 344                              | Laboratory Equipment                   |                |              |              | 0             |              | 0             |  |
| 345                              | Power Operated Equipment               |                |              |              | 0             |              | 0             |  |
| 346                              | Communication Equipment                |                |              |              | 0             |              | 0             |  |
| 347                              | Miscellaneous Equipment                |                |              |              | 0             |              | 0             |  |
| 348                              | Other Tangible Plant                   |                |              |              | 0             |              | 0             |  |
|                                  | Totals                                 | \$189,354      | \$0          | \$0          | \$189,354     | \$170,744    | \$18,610      |  |

Mormon Lake Water Co. Annual Report Depreciation Expense for the Current Year (Water) 12/31/19

|             |  | Depr           | eciation Expense | for the Current | Year (Water)  |                                       |             |              |              |
|-------------|--|----------------|------------------|-----------------|---------------|---------------------------------------|-------------|--------------|--------------|
| Account No. | Description                            | Beginning Year | Current Year     | Current Year    | Adjusted      | Fully                                 | Depreciable | Depreciation | Depreciation |
|             |  | Original Cost  | Additions        | Retirements     | Original Cost | Depreciated/Non-<br>depreciable Plant | Plant       | Percentages  | Expense      |
| 301         | Organization                           | \$0            | \$0              | \$0             | \$0           |                                       | \$0         |              | \$0          |
| 302         | Franchises                             | 0              | 0                | 0               | 0             |                                       | 0           |              | 0            |
| 303         | Land and Land Rights                   | 0              | 0                | 0               | 0             |                                       | 0           |              | 0            |
| 304         | Structures and Improvements            | 15,257         | 0                | 0               | 15,257        |                                       | 15,257      | 1.82%        | 278          |
| 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                      | 39,209         | 0                | 0               | 39,209        |                                       | 39,209      | 1.52%        | 594          |
| 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                      | 19,099         | 0                | 0               | 19,099        |                                       | 19,099      | 3.50%        | 668          |
| 320         | Water Treatment Equipment              | 0              | 0                | 0               | 0             |                                       | 0           |              | 0            |
| 320.1       | Water Treatment Plants                 | 12,356         | 0                | 0               | 12,356        |                                       | 12,356      | 2.57%        | 318          |
| 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                          | 21,561         | 0                | 0               | 21,561        |                                       | 21,561      | 2.32%        | 500          |
| 330.2       | Pressure Tanks                         | 0              | 0                | 0               | 0             |                                       | 0           |              | 0            |
| 331         | Transmission and Distribution Mains    | 0              | 0                | 0               | 0             |                                       | 0           |              | 0            |
| 333         | Services                               | 0              | 0                | 0               | 0             |                                       | 0           |              | 0            |
| 334         | Meters and Meter Installations         | 25,109         | 0                | 0               | 25,109        |                                       | 25,109      | 0.00%        | 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        | 44,817         | 0                | 0               | 44,817        |                                       | 44,817      | 0.09%        | 38           |
| 340         | Office Furniture and Equipment         | 1,959          | 0                | 0               | 1,959         |                                       | 1,959       | 0.00%        | 0            |
| 340.1       | Computer & Software                    | 0              | 0                | 0               | 0             |                                       | 0           |              | 0            |
| 341         | Transportation Equipment               | 9,987          | 0                | 0               | 9,987         |                                       | 9,987       | 0.00%        | 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            |
| 2.0         | Subtotal                               | \$189,354      | \$0              | \$0             | \$189,354     | \$0                                   | \$189,354   |              | \$2,396      |

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 1.27% \$0

 Less: Amortization of CIAC
 \$0

 DEPRECIATION EXPENSE
 \$2,396

Mormon Lake Water Co. Annual Report Balance Sheet Assets 12/31/19

|             | Balance Sheet Assets                          |   |                                  |
|-------------|---|---|----------------------------------|
|             | Assets  | Balance at<br>Beginning of Year<br>(2019) | Balance at End of<br>Year (2019) |
| Account No. | Current and Accrued Assets                    |   |                                  |
| 131         | Cash  | \$203,094                                 | \$216,553                        |
| 134         | Working Funds                                 |   |                                  |
| 135         | Temporary Cash Investments                    |   |                                  |
| 141         | Customer Accounts Receivable                  | 5,870                                     | 4,041                            |
| 146         | Notes Receivable from Associated Companies    |   |                                  |
| 151         | Plant Material and Supplies                   |   |                                  |
| 162         | Prepayments                                   |   |                                  |
| 174         | Miscellaneous Current and Accrued Assets      |   |                                  |
|             | Total Current and Accrued Assets              | \$208,964                                 | \$220,594                        |
| Account No. | Fixed Assets                                  |   |                                  |
| 101         | Utility Plant in Service*                     | \$189,354                                 | \$189,354                        |
| 103         | Property Held for Future Use                  |   |                                  |
| 105         | Construction Work in Progress                 |   |                                  |
| 108         | Accumulated Depreciation (enter as negative)* | (168,347)                                 | (170,744)                        |
| 121         | Non-Utility Property                          |   |                                  |
| 122         | Accumulated Depreciation - Non Utility        |   |                                  |
|             | Total Fixed Assets                            | \$21,007                                  | \$18,610                         |
|             | Total Assets                                  | \$229,971                                 | \$239,204                        |

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

Mormon Lake Water Co. Annual Report Balance Sheet Liabilities and Owners Equity

|             | Balance Sheet Liabilities and Ow                  | ners Equity                         |                                  |
|-------------|---|-------------------------------------|----------------------------------|
|             | Liabilities                                       | Balance at Beginning of Year (2019) | Balance at End of<br>Year (2019) |
| Account No. | Current Liabilities                               |                                     |                                  |
| 231         | Accounts Payable                                  | \$918                               | \$72                             |
| 232         | Notes Payable (Current Portion)                   |                                     |                                  |
| 234         | Notes Payable to Associated Companies             |                                     |                                  |
| 235         | Customer Deposits                                 |                                     |                                  |
| 236         | Accrued Taxes                                     | 4,762                               | 4,613                            |
| 237         | Accrued Interest                                  |                                     |                                  |
| 242         | Miscellaneous Current and Accrued Liabilities     | 3,141                               | 2,566                            |
|             | Total Current Liabilities                         | \$8,821                             | \$7,251                          |
|             | Long Term Debt                                    |                                     |                                  |
| 224         | Long Term Debt (Notes and Bonds)                  |                                     | \$36                             |
|             | 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                   |                                     |                                  |
|             | Total Deferred Credits                            | \$0                                 | \$0                              |
|             | Total Liabilites                                  | \$8,821                             | \$7,287                          |
|             | Capital Accounts                                  |                                     |                                  |
| 201         | Common Stock Issued                               | \$100                               | \$100                            |
| 211         | Other Paid-In Capital                             | 353,518                             | 353,518                          |
| 215         | Retained Earnings                                 | (132,468)                           | (121,701)                        |
| 218         | Proprietary Capital (Sole Props and Partnerships) |                                     |                                  |
|             | Total Capital                                     | \$221,150                           | \$231,917                        |
|             | Total Liabilities and Capital                     | \$229,971                           | \$239,204                        |

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

| Account No. | Calendar Year   | Carmont Voca            |                         |
|-------------|---|-------------------------|-------------------------|
|             | Carcildar i car   | Current Year            | Last Year               |
|             |   | 01/01/2019 - 12/31/2019 | 01/01/2018 - 12/31/2018 |
| 461         | Operating Revenue   | ФСС 74C                 | DCO 45                  |
| 461         | Metered Water Revenue   | \$66,746                | \$68,45                 |
| 460         | Unmetered Water Revenue   |                         |                         |
| 462         | Fire Protection Revenue   |                         |                         |
| 469         | Guaranteed Revenues (Surcharges)                                      |                         |                         |
| 471         | Miscellaneous Service Revenues  |                         | 10                      |
| 474         | Other Water Revenue   | 0// 74/                 | 19                      |
|             | Total Revenues  | \$66,746                | \$68,64                 |
|             | Operating Expenses  |                         |                         |
| 601         | Salaries and Wages  |                         |                         |
| 604         | Employee Pensions and Benefits  |                         |                         |
| 610         | Purchased Water   |                         |                         |
| 615         | Purchased Power   | 3,562                   | 3,89                    |
| 618         | Chemicals   | 1,851                   | 47                      |
| 620         | Materials and Supplies  | 1,031                   | 77                      |
| 620.1       | Repairs and Maintenance   | 20,236                  | 18,31                   |
| 620.2       | Office Supplies and Expense   | 594                     | 1,26                    |
| 630         | Contractual Services  | 374                     | 1,20                    |
| 631         | Contractual Services - Engineering                                    |                         |                         |
| 632         | Contractual Services - Engineering  Contractual Services - Accounting | 8,712                   | 10,16                   |
| 633         | Contractual Services - Accounting  Contractual Services - Legal       | 8,712                   | 10,10                   |
| 634         | Contractual Services - Legal  Contractual Services - Management Fees  | 11,261                  | 9,85                    |
| 635         |   | 877                     | 33                      |
| 636         | Contractual Services - Water Testing Contractual Services - Other     | 877                     | 33                      |
| 640         | Rents   |                         |                         |
| 641         |   |                         |                         |
| 642         | Rental of Building/Real Property                                      | 2                       |                         |
| 650         | Rental of Equipment   | 160                     |                         |
| 657         | Transportation Expenses   | 100                     |                         |
|             | Insurance - General Liability   |                         |                         |
| 657.1       | Insurance - Health and Life   |                         |                         |
| 665         | Regulatory Commission Expense - Rate                                  | 0                       | 18-                     |
| 670<br>675  | Bad Debt Expense Miscellaneous Expense                                | 995                     |                         |
|             |   |                         | 1,57<br>2,46            |
| 403         | Depreciation Expense (From Schedule AR4) Taxes Other Than Income      | 2,390                   | 2,40                    |
| 408         |   | 1,796                   | 1,83                    |
| 408.11      | Property Taxes  | 3,509                   | 75                      |
| 409         | Income Taxes  | 3,309                   | 13                      |
| 427.1       | Customer Security Deposit Interest  Total Operating Expenses          | \$55,951                | \$51,11                 |
|             | 1 otal Operating Expenses   | \$33,731                | φ31,11                  |
|             | Operating Income / (Loss)   | \$10,795                | \$17,53                 |
|             | Other Income / (Expense)  |                         |                         |
| 419         | Interest and Dividend Income  |                         |                         |
| 421         | Non-Utility Income  | 39                      | 23                      |
| 426         | Miscellaneous Non-Utility (Expense)                                   | (33)                    | 23                      |
| 427         | Interest (Expense)  | (33)                    |                         |
| 14/         | Total Other Income / (Expense)  | (\$27)                  | \$23                    |
|             | (Zaponoc)   | (+-1)                   |                         |
|             | Net Income / (Loss)   | \$10,768                | \$17,76                 |

Mormon Lake Water Co. Annual Report Full time equivalent employees 12/31/19

### Full time equivalent employees

|                      | Direct Company | Allocated | Outside service | Total |
|----------------------|----------------|-----------|-----------------|-------|
| President            | 0.3            |           |                 | 0.3   |
| Vice-president       |                |           |                 | 0.0   |
| Manager              | 0.2            |           |                 | 0.2   |
| Engineering Staff    | 0.2            |           | 0.1             | 0.3   |
| System Operator(s)   | 0.5            |           |                 | 0.5   |
| Meter reader         | 0.3            |           |                 | 0.3   |
| Customer Service     | 0.4            |           |                 | 0.4   |
| Accounting           | 0.3            |           | 0.1             | 0.4   |
| Business Office      | 0.3            |           |                 | 0.3   |
| Rates Department     | 0.0            |           |                 | 0.0   |
| Administrative Staff | 0.3            |           |                 | 0.3   |
| Other                |                |           |                 | 0.0   |
| Total                | 2.8            | 0.0       | 0.2             | 3.0   |

Mormon Lake Water Co. 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                                  | N/A     |         |         |         |  |  |  |  |  |
| 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                       |         |         |         |         |  |  |  |  |  |

| M. D. '. D.C. LID.'. d. T. (V. | Meter Deposit Balance at Test Year End:      |   |   |
|--------------------------------|--|---|---|
|                                | Meter Deposits Refunded During the Test Year | - | 1 |

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.

Mormon Lake Water Co. Annual Report Well and Water Usage 12/31/19

|                        |                 |                  |                | Well and Wat    | er Usage    |              |         |             |            |           |        |
|------------------------|-----------------|------------------|----------------|-----------------|-------------|--------------|---------|-------------|------------|-----------|--------|
| Name of the System:    |                 | MORMON LAKE      | WC             |                 |             |              |         |             |            |           |        |
| ADEQ Public Water Sys  | tem Number      |                  | AZ0403014      |                 |             |              | _       |             |            |           |        |
| ADWR PCC Number:       |                 |                  | 91-000091.0000 |                 |             |              |         |             |            |           |        |
| Well registry 55# (55- |                 |                  | Casing Depth   | Casing Diameter | Pump Motor  |              |         | Water level | Meter Size | How       |        |
| XXXXXX):               | Pump Horsepower | Pump Yield (gpm) | (feet)         | (inches)        | Type **     | Year Drilled | 2010    | 2019        | (inches)   | measured: | Active |
| 55-608464              | 0.5             | 8                | 67             | 6               | Submersible | 1972         | Unknown | Unknown     | 5/8 x 3/4  | Metered   | Yes    |
| 55-5644454             | 0.5             | 8                | 105            | 5               | Submersible | 2000         | Unknown | Unknown     |            |           | Yes    |
| 55-564838              | 0.5             | 7                | 114            | 5               | Submersible |              | Unknown | Unknown     |            |           | Yes    |
| 55-518665              | 0.5             | 8                | 105            | 6               | Submersible | 1987         | Unknown | Unknown     | 5/8 x 3/4  | Metered   | Yes    |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |
|                        |                 |                  |                |                 |             |              |         |             |            |           |        |

| Name of system water delivered to:                       | MORMON LAKE | WC             |   |
|--|-------------|----------------|---|
| ADWR PCC Number:   |             | 91-000091.0000 |   |
| Source of water delivered to another system Ground Water |             |                | - |
|  |             |                |   |

| Name of system water received from | MORMON LAKE WC |                |   |   |
|------------------------------------|----------------|----------------|---|---|
| ADWR PCC Number:                   |                | 91-000091.0000 |   |   |
| Source of water received           | Ground Water   |                |   | - |
| Well registry 55# (55-XXXXXX):     |                |                | 1 |   |

|           |                 |              |                    | Water received   |                |                      |           |
|-----------|-----------------|--------------|--------------------|------------------|----------------|----------------------|-----------|
|           |                 |              | Water delivered    | (purchased) from | Estimated      | Purchased            | Purchased |
|           | Water withdrawn | Water sold   | (sold) to other    | other systems    | authorized use | Power                | Power     |
| Month     | (gallons)1      | (gallons)2   | systems (gallons)3 | (gallons)4       | (gallons)5     | Expense <sup>6</sup> | $(kWh)^7$ |
| January   | 79,640.00       | 58,460.00    | N/A                | N/A              | 79,640.00      | \$253                | 1,088     |
| February  | 51,860.00       | 24,870.00    | N/A                | N/A              | 51,860.00      | 192                  | 887       |
| March     | 103,260.00      | 24,380.00    | N/A                | N/A              | 103,260.00     | 186                  | 857       |
| April     | 64,660.00       | 29,260.00    | N/A                | N/A              | 64,660.00      | 202                  | 939       |
| May       | 217,440.00      | 73,580.00    | N/A                | N/A              | 217,440.00     | 39                   | 0         |
| June      | 225,400.00      | 194,308.00   | N/A                | N/A              | 225,400.00     | 397                  | 235       |
| July      | 354,470.00      | 243,032.00   | N/A                | N/A              | 354,470.00     | 463                  | 2,530     |
| August    | 358,290.00      | 248,820.00   | N/A                | N/A              | 358,290.00     | 380                  | 2,047     |
| September | 322,520.00      | 301,320.00   | N/A                | N/A              | 322,520.00     | 459                  | 2,562     |
| October   | 103,600.00      | 121,240.00   | N/A                | N/A              | 103,600.00     | 378                  | 2,011     |
| November  | 44,450.00       | 56,530.00    | N/A                | N/A              | 44,450.00      | 268                  | 1,484     |
| December  | 40,930.00       | 17,878.00    | N/A                | N/A              | 40,930.00      | 159                  | 1,054     |
| Totals    | 1,966,520.00    | 1,393,678.00 | 0.00               | 0.00             | 1,966,520.00   | \$3,374              | 15,694    |

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

- Water withdrawn Total gallons of water withdrawn from pumped sources

   Water sold Total gallons from customer meters, and other sales such as construction water.

   Water delivered (sold) to other systems Total gallons of water delivered to other systems.

   Water received (purchased) from other systems Total gallons of water purchased/received from other systems
   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.

Mormon Lake Water Co. Annual Report Water Utility Plant Description 12/31/19

| Water Utility Plant Description    |  |                |  |  |
|------------------------------------|--|----------------|--|--|
| Name of the System: MORMON LAKE WC |  |                |  |  |
| ADEQ Public Water System Number:   |  | AZ0403014      |  |  |
| ADWR PCC Number:                   |  | 91-000091.0000 |  |  |

|                | MAINS      |               |  |  |
|----------------|------------|---------------|--|--|
| Sizes (inches) | Material   | Length (feet) |  |  |
| 2.00           | Galvanized | 2,000         |  |  |
| 2.00           | PVC        | 2,500         |  |  |
| 1.00           | Poly       | 10,400        |  |  |
| 2.00           | Poly       | 500           |  |  |
|                |            |               |  |  |
|                |            |               |  |  |
|                |            |               |  |  |
|                |            |               |  |  |
|                |            |               |  |  |
|                |            |               |  |  |
|                |            |               |  |  |
|                |            |               |  |  |
|                |            |               |  |  |
|                |            |               |  |  |

| SERVICE LINES    |                   |           |  |  |
|------------------|-------------------|-----------|--|--|
|                  |                   | Year      |  |  |
| Material         | Percent of system | installed |  |  |
| Black poly       | 67%               | 1983      |  |  |
| PVC              | 17%               | 1972      |  |  |
| Galvanized steel | 16%               | 1952      |  |  |
|                  |                   |           |  |  |
|                  |                   |           |  |  |

|               | CUSTOMER METERS |                  |              |  |  |
|---------------|-----------------|------------------|--------------|--|--|
|               |                 | Percent over     | Percent over |  |  |
| Size (inches) | Quantity        | 1,00,000 gallons | 10 years old |  |  |
| 5/8 X 3/4     | 134             | 0%               | 96%          |  |  |
| 1.5           | 1               | 100%             | 100%         |  |  |
|               |                 |                  |              |  |  |
|               |                 |                  |              |  |  |
|               |                 |                  |              |  |  |
|               |                 |                  |              |  |  |
|               |                 |                  |              |  |  |
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|               |                 |                  |              |  |  |
|               |                 |                  |              |  |  |
|               |                 |                  |              |  |  |
|               |                 |                  |              |  |  |
|               |                 |                  |              |  |  |
|               |                 |                  |              |  |  |

| BOOSTER PUMPS |     |          |  |  |
|---------------|-----|----------|--|--|
| Horsepower    | GPM | Quantity |  |  |
| 3             | 40  | 1        |  |  |
| 2             | 32  | 2        |  |  |
| 1             | 15  | 2        |  |  |
|               |     |          |  |  |

| STORAGE TANKS      |                  |          |           |  |
|--------------------|------------------|----------|-----------|--|
|                    |                  |          | Year      |  |
| Capacity (gallons) | Material         | Quantity | installed |  |
| 15,000             | GALVINIZED STEEL | 2        | 1997      |  |
| 12,000             | GALVINIZED STEEL | 2        | 2001      |  |
|                    |                  |          |           |  |
|                    |                  |          |           |  |
|                    |                  |          |           |  |
|                    |                  |          |           |  |

| FIRE HYDRANTS |          |  |
|---------------|----------|--|
| Type          | Quantity |  |
| Standard *    | 0        |  |
| Other         | 0        |  |

| PRESSURE/BLADDER TANKS |            |          |                |  |
|------------------------|------------|----------|----------------|--|
| Capacity               |            |          |                |  |
| (gallons)              | Material   | Quantity | Year installed |  |
| 40                     | FIBERGLASS | 1        | 2000           |  |
| 15                     | STEEL      | 1        | 2013           |  |
| 32                     | FIBERGLASS | 1        | 2015           |  |
|                        |            |          |                |  |
|                        |            |          |                |  |
|                        |            |          |                |  |

\* 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 | Descri | ption ( | (Continued |
|-------|---------|-------|--------|---------|------------|
|       |         |       |        |         |            |

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

| TREATMENT<br>EQUIPMENT: | (2) 50 GPM GREEN SAND FILTERS; (1) LIQUID CHOLORINATORS; (1) 50 GPM MULTIMEDIA FILTER |
|-------------------------|---|
|                         |   |
| STRUCTURES:             | (1) PUMP HOUSE 16' X 20'; (1) PUMP HOUSE 4' X 4'                                      |
|                         |   |
| OTHER:                  | STAND BY GENERATOR 30KW   |

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
- If no historical flow data are available, use:
- (b) ERC = ( Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day )

| ERC          | 25  |
|--------------|-----|
| Method used: | (a) |

| Customer and Other Information   |             |                |  |  |
|----------------------------------|-------------|----------------|--|--|
| Name of the System:              | MORMON LAKI | E WC           |  |  |
| ADEQ Public Water System Number: | •           | AZ0403014      |  |  |
| ADWR PCC Number:                 |             | 91-000091.0000 |  |  |

|  | Number of Customers |              |            |                 |                           |  |
|--|---------------------|--------------|------------|-----------------|---------------------------|--|
| Month  | Single-Family       | Multi-Family | Commercial | Turf/Irrigation | Other Non-<br>Residential |  |
| January  | 134                 | N/A          | 1          | N/A             | N/A                       |  |
| February   | 131                 | N/A          | 1          | N/A             | N/A                       |  |
| March  | 132                 | N/A          | 1          | N/A             | N/A                       |  |
| April  | 131                 | N/A          | 1          | N/A             | N/A                       |  |
| May  | 134                 | N/A          | 1          | N/A             | N/A                       |  |
| June   | 133                 | N/A          | 1          | N/A             | N/A                       |  |
| July   | 134                 | N/A          | 1          | N/A             | N/A                       |  |
| August   | 136                 | N/A          | 1          | N/A             | N/A                       |  |
| September  | 135                 | N/A          | 1          | N/A             | N/A                       |  |
| October  | 131                 | N/A          | 1          | N/A             | N/A                       |  |
| November   | 132                 | N/A          | 1          | N/A             | N/A                       |  |
| December   | 132                 | N/A          | 1          | N/A             | N/A                       |  |
| If the system has fire hydrants, what is the fire flow requirements?  GPM for  |                     |              |            |                 |                           |  |
| Does the system have chlorination treatment? Yes   |                     |              |            |                 |                           |  |
| Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement?  No If yes, provide the GPCPD amount: |                     |              |            |                 |                           |  |

| Is the Water Utility located in an ADWR Active Management Area (AMA)? If yes, which AMA? | No              |
|--|-----------------|
| What is the present system connection capacity (in ERCs *) using existing lines?         | 25              |
| What is the future system connection capacity (in ERCs *) upon service area buildout?    | 25              |
| Describe any plans and estimated completion dates for any enlargements or improvements   | of this system. |
|  |                 |
|  |                 |
|  |                 |

hrs.

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

Mormon Lake Water Co. Annual Report Utility Shutoffs / Disconnects 12/31/19

| Utility Shutoffs / Disconnects             |                |  |  |  |  |
|--|----------------|--|--|--|--|
| Name of the System:                        | MORMON LAKE WC |  |  |  |  |
| ADEQ Public Water System Number: AZ0403014 |                |  |  |  |  |
| ADWR PCC Number:                           | 91-000091.0000 |  |  |  |  |

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

| 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.

Mormon Lake Water Co. Annual Report Property Taxes 12/31/19

| Property Taxes   |         |
|--|---------|
| Amount of actual property taxes paid during Calendar Year 2019 was | \$1,796 |
|  |         |
| 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.

Mormon Lake Water Co.
 Annual Report
 Verification and Sworn Statement (Taxes)
 12/31/19

| make productions and a few size about the contract of the cont | vernication and Sworn State  | nent (Taxes)  |            |
|--|--|---|------------|
| Verification: State of Arizona (S  | I, the undersigned   | ed of the   |            |
| County of (county name): Name (owner or official) ti Company name:   | Coconino Scott Gold, Pres Mormon Lake Water Co.  | ident   |            |
| DO SAY THAT THIS AN CORPORATION COMMI  |  | AND SALES TAX REPORT TO THE ARIZONA   |            |
| FOR THE YEAR ENDING  | G: 12/31/1   |   |            |
| UTILITY; THAT I HAVE<br>CORRECT STATEMENT  | CAREFULLY EXAMINED THE SA<br>OF BUSINESS AND AFFAIRS OF S<br>DEACH AND EVERY MATTER AN | IE ORIGINAL BOOKS, PAPERS AND RECORDS ME, AND DECLARE THE SAME TO BE A COM SAID UTILITY FOR THE PERIOD COVERED B' ID THING SET FORTH, TO THE BEST OF MY | IPLETE AND |
|  |  |   |            |
| Sworn Statement: I HEREBY ATTEST THA   | T ALL PROPERTY TAXES FOR SA  | ID COMPANY ARE CURRENT AND PAID IN F  | ULL.       |
| Transport of the state of the s |  |   | -:         |
| RECEIVED<br>BY EMAIL   | TALL SALES TAXES FOR SAID C  | OMPANY ARE CURRENT AND PAID IN FULL  signature of owner/official  |            |
| 5/01/2020, 08:08 I<br>ARIZONA CORPORATION CO<br>UTILITIES DIVISIO  | OMMISSION L  | (480) 998-8888<br>telephone no.   |            |
|  | IN AND FOR THE COUNTY  |   | / name)    |
| The state of the s | THIS <u>-1188</u>  |   | nd (year)  |
| ANTHONY LORENZO COMMISSION # 549088 NOTARY PUBLIC - STATE OF ARIZONA COCONINO COUNTY My commission expires July 25, 2022.  | MY COMMISSION EXPIRES  | O7/25/2022<br>(date)  |            |
| -  |  |   |            |
|  |  | (signature of notary public)  |            |

Mormon Lake Water Co. Annual Report Verification and Sworn Statement 12/31/19

|                  | and the second second second second  | •                     | Verificat  | ion and Sworn Sta  | tement  |  |
|------------------|--|---|--|--|---|--|
| Verification     |  |   |  | 7  |   |  |
|                  | · State of   | Ariz (state   |  | I, the undersigned   | of the  |  |
|                  | County of (co  |   | iaine)   | Coconino   |   |  |
|                  |  | or official) title:   |  | Scott Gold, Presid   | lent  |  |
|                  | Company nam  |   | Mormon Lake                                      |  |   |  |
|                  | DO SAY TH  | AT THIS ANNUA   | A HTH ITV P                                      | ROPERTY TAY A  | ND SALES TAX REPOR  | T TO THE A DIZONA  |
|                  | CORPORAT   | ION COMMISSION  | ON.  | ROTERTT TAXA   | TO SALES TAX REPOR  | 1 TO THE ARIZONA   |
|                  | FOR THE YE   | EAR ENDING:   | 12/31/19   | )  |   |  |
|                  | UTILITY; TH<br>AND CORRE<br>REPORT IN I  | IAT I HAVE CAF<br>ECT STATEMEN                              | REFULLY EXA<br>T OF BUSINES<br>.CH AND EVE       | AMINED THE SAN<br>SS AND AFFAIRS<br>RY MATTER ANI          | IE, AND DECLARE TH  | APERS AND RECORDS OF SAID<br>E SAME TO BE A COMPLETE<br>. THE PERIOD COVERED BY THIS<br>O THE BEST OF MY |
| Sworn Statement: | STATUTES, I  | T IS HEREIN RE  | PORTED THA                                       | AT THE GROSS OF  |   | I 40-401, ARIZONA REVISED OF SAID UTILITY DERIVED  |
|                  |  | RECEI<br>BY EM<br>5/01/2020, 0<br>A CORPORAT<br>UTILITIES D | VED<br>IAIL<br>08:08 PM<br>TION COMM<br>DIVISION | Arizona Intrastate (The amount in the billed or collected) | Gross Operating Revenue \$71,354   box above includes \$4,608   in sales   signature (4 | taxes  Te of owner/official  80) 998-8888 Elephone no.   |
|                  |  |   |  | AND SWORN TO<br>THE COUNTY                                 | D BEFORE ME A NOTA  DAY OF  | (county name)  |
| NOTARY P         | HONY LOREI<br>MMISSION # 54901<br>PUBLIC - STATE OF A<br>OCONINO COUNTY<br>Ission expires July 2 | NZO<br>88<br>arizona  | MY COMMIS  | SION EXPIRES   | (dat  | re of notary public)   |

Mormon Lake Water Co. Annual Report Verification and Sworn Statement (Residential Revenue) 12/31/19

| Verificat  | ion and Swor                             | n Statement (Reside                                   | ntial Ravanua)  |   |
|--|--|---|---|---|
| Verification:  |  | n Statement (Acside                                   | iniai Revenue)  |   |
|  | rizona<br>e name)                        | I, the undersigned                                    | of the  |   |
| County of (county name): Name (owner or official) titl   | e:                                       | Coconino<br>Scott Gold, Preside                       | ent   |   |
| Company name:  |  | ake Water Co.   | 7.7.  |   |
| DO SAY THAT THIS ANN CORPORATION COMMIS  | UAL UTILIT<br>SION.                      | Y PROPERTY TAX  | AND SALES TAX REPO  | RT TO THE ARIZONA                         |
| FOR THE YEAR ENDING  | : 12/31/1                                | 9   |   |   |
| HAS BEEN PREPARED UN<br>OF SAID UTILITY; THAT<br>BE A COMPLETE AND CO<br>PERIOD COVERED BY TH<br>FORTH, TO THE BEST OF   | I HAVE CAR<br>DRRECT STA<br>IIS REPORT I | EFULLY EXAMINE<br>TEMENT OF BUSIN<br>IN RESPECT TO EA | D THE SAME, AND DEC<br>IESS AND AFFAIRS OF<br>CH AND EVERY MATT | CLARE THE SAME TO<br>SAID UTILITY FOR THE |
| Sworn Statement: IN ACCORDANCE WITH TREVISED STATUTES, IT IS UTILITY DERIVED FROM RESIDENTIAL CUSTOME  | S HEREIN RE<br>ARIZONA II                | EPORTED THAT TH<br>NTRASTATE UTILIT                   | E GROSS OPERATING I   | REVENUE OF SAID                           |
| Arizona Intras   | state Gross Op                           | perating Revenues Onl                                 | \$68,031  |   |
| RECEIVE  | D  | billed or collected)                                  | \$4,608 in sales taxes  | Λ   |
| BY EMAI<br>5/01/2020, 08:09  |  |   | LD I. Hold  | /   |
| ARIZONA CORPORATION<br>UTILITIES DIVIS   | COMMISS                                  | SION  | signature of ow   |   |
|  |  |   | (480) 998<br>telephon   |   |
|  |  | BED AND SWORN TO<br>OR THE COUNTY                     | O BEFORE ME A NOTA<br><u>COLONIA</u>                            |   |
|  | THIS                                     | first   | DAY OF  | May Zozo (month) and (year)               |
|  | MY COMM                                  | IISSION EXPIRES                                       | <u>07/25/202</u><br>(date)                                      | <u>z</u> .                                |
| ANTHONY LORENZO COMMISSION # 549088 NOTARY PUBLIC - STATE OF ARIZONA COCONINO COUNTY My commission evaluate the control of the |  |   | 3   |   |
| My commission expires July 25, 2022.   |  |   | (signature of notary pub  | lie)                                      |

Mormon Lake Water Co. Annual Report for Income Tax Statement of Certification 12/31/19

|               | fo)  | r Income Tax                                    | Statement of C                               | ertification                                |   |  |
|---------------|--|---|--|---|---|--|
| Verification: |  | ALCOMO THA                                      | Statement of C                               | or tracation                                |   |  |
|               |  | zona  | I, the undersign                             | ned of the                                  |   |  |
|               | (state   | name)   | J, ,   |   |   |  |
|               |  |   |  |   |   | _  |
|               | County of (county name):   |   | Coconino                                     |   |   |  |
|               | Name (owner or official) title Company name:   |   | Scott Gold, Pre                              | esident                                     |   |  |
|               | Company name.  | Informon La                                     | ke Water Co.                                 |   |   | l  |
|               | FOR THE YEAR ENDING:   | 12/31/19  |  |   |   |  |
| S             |  |   | · · · · · · · · · · · · · · · · · · ·        |   |   |  |
|               | IN ACCORDANCE WITH T. REQUIRES THE GROSS UP UTILITY A NET INCREAS! ASSET FOR A CARRY FOR THAN THE AMOUNT OF T. BY THIS ANNUAL REPORT | OF ADVANCE IN CURREN<br>WARD ACCO<br>HE REQUIRE | CES AND CON'<br>NT INCOME TA<br>ORDING TO GA | TRIBUTIONS,<br>AX EXPENSE (<br>AAP IN AN AN | I HEREBY STA<br>OR A DECREAS<br>MOUNT EQUAL | TE THAT THE<br>E IN DEFERRED TA<br>TO OR GREATER |
|               |  |   |  |   | 1   | າ  |
|               | RECEIVE  | 'D  |  |   |   | /  |
|               |  |   |  | KS  | () Holder                                   |  |
|               | BY EMAI  |   |  | 7,00  | signature of own                            | er/official                                      |
|               | 5/01/2020, 08:0  |   |  |   |   |  |
| AF            | RIZONA CORPORATION   |   | ION  |   | (480) 998-8                                 |  |
|               | UTILITIES DIVI   | SION  |  |   | telephone                                   | no.  |
|               |  |   | ED AND SWOR R THE COUNT                      | Y   | E ME A NOTARY<br>(con<br>DAY OF             |  |
|               |  | MY COMMI  | SSION EXPIRE                                 | ES .  | <u>07/25/2022</u><br>(date)                 |  |
| NOTARY P      | HONY LORENZO  MMISSION # 549088  UBLIC - STATE OF ARIZONA OCONINO COUNTY Ission expires July 25, 2022.                               | -   |  | (signatur                                   | re of notary public                         | e)   |