

ANNUAL REPORT

Of

Company Name:

Global Water-Palo Verde Utilities Company, Inc.

c/o Global Water Resources, Inc.

Mailing Address:

21410 N. 19th Ave., Ste. 220

Phoenix AZ

85027

Docket No.:

SW-20445A

For the Year Ended:

12/31/17

RECEIVED
APR 13 2010
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WASTEWATER 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:

04/15/2018

4-16-18

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Global Water-Palo Verde Utilities Company, Inc.
A Class Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

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

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

| Utility Plant in Service (Wastewater) | | | | | | | |
|---------------------------------------|------------------------------------|------------------------------|------------------------|--------------------------|------------------------|--------------------------|---------------------|
| Account No. | Description | Beginning Year Original Cost | Current Year Additions | Current Year Retirements | Adjusted Original Cost | Accumulated Depreciation | OCLD (OC less AD) |
| 351 | Organization | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 352 | Franchises | 0 | 0 | 0 | 0 | 0 | 0 |
| 353 | Land and Land Rights | 199,390 | 0 | 0 | 199,390 | 0 | 199,390 |
| 354 | Structures and Improvements | 24,434,367 | 473,028 | 0 | 24,907,395 | 8,757,584 | 16,149,811 |
| 355 | Power Generation Equipment | 649,893 | 676,369 | 0 | 1,326,262 | 256,412 | 1,069,850 |
| 360 | Collections Wastewater - Force | 3,981,509 | 0 | 0 | 3,981,509 | 1,139,363 | 2,842,146 |
| 361 | Collections Wastewater - Gravity | 48,898,841 | 133,069 | 0 | 49,031,910 | 10,824,958 | 38,206,953 |
| 362 | Special Collecting Structures | 348,090 | 0 | 0 | 348,090 | 17,405 | 330,686 |
| 363 | Services to Customers | 5,440,953 | 0 | 0 | 5,440,953 | 1,158,759 | 4,282,194 |
| 364 | Flow Measuring Devices | 57,068 | 1,560 | 0 | 58,628 | 26,778 | 31,849 |
| 365 | Flow Measuring Installations | 0 | 0 | 0 | 0 | 0 | 0 |
| 366 | Reuse Services | 0 | 0 | 0 | 0 | 0 | 0 |
| 367 | Reuse Meters & Meter Installations | 1,487 | 0 | 1,487 | 0 | 0 | 0 |
| 370 | Receiving Wells | 1,921,877 | 0 | 0 | 1,921,877 | 688,592 | 1,233,285 |
| 371 | Pumping Equipment | 4,802,821 | 71,896 | 13,273 | 4,861,445 | 4,308,395 | 553,050 |
| 374 | Reuse Distribution Reservoirs | 618,994 | 0 | 0 | 618,994 | 73,143 | 545,852 |
| 375 | Reuse Trans. And Distr. Equipment | 12,686,784 | 1,556,507 | 0 | 14,243,290 | 3,209,294 | 11,033,996 |
| 380 | Treatment and Disposal Equipment | 7,546,471 | 3,131,971 | 3,427 | 10,675,015 | 4,010,620 | 6,664,395 |
| 381 | Plant Sewers | 215,585 | 557,596 | 0 | 773,182 | 100,550 | 672,632 |
| 382 | Outfall Sewer Lines | 353,645 | 0 | 0 | 353,645 | 181,830 | 171,816 |
| 389 | Other Plant and Misc. Equipment | 2,523,846 | 26,827 | 3,606 | 2,547,067 | 1,475,778 | 1,071,289 |
| 390 | Office Furniture and Equipment | 53,522 | 0 | 20,878 | 32,644 | 31,650 | 994 |
| 390.1 | Computer & Software | 46,863 | 4,553 | 18,283 | 33,133 | 23,759 | 9,374 |
| 391 | Transportation Equipment | 437,469 | 6,766 | 92,662 | 351,573 | 238,453 | 113,120 |
| 392 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 393 | Tools, Shop and Garage Equipment | 209,715 | 2,725 | 1,583 | 210,857 | 91,769 | 119,088 |
| 394 | Laboratory Equipment | 17,736 | 0 | 833 | 16,903 | 15,991 | 912 |
| 395 | Power Operated Equipment | 137,060 | 9,025 | 0 | 146,085 | 27,841 | 118,244 |
| 396 | Communication Equipment | 82,579 | 41,777 | 13,944 | 110,412 | 49,118 | 61,294 |
| 397 | Miscellaneous Equipment | 642,823 | 0 | 0 | 642,823 | 450,559 | 192,264 |
| 398 | Other Tangible Plant | 1,786,180 | 1,403 | (3,595) | 1,791,178 | 1,599,267 | 191,911 |
| | Totals | \$118,095,569 | \$6,695,073 | \$166,381 | \$124,624,261 | \$38,757,867 | \$85,866,394 |

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.

Global Water-Palo Verde Utilities Company, Inc.
Annual Report
Depreciation Expense for the Current Year (Wastewater)
12/31/17

| Depreciation Expense for the Current Year (Wastewater) | | | | | | | | | |
|--|--|------------------------------|------------------------|--------------------------|------------------------|---|----------------------|--------------------------|----------------------|
| 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 |
| 351 | Organization | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% | \$0 |
| 352 | Franchises | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 353 | Land and Land Rights | 199,390 | 0 | 0 | 199,390 | 199,390 | 0 | 0.00% | 0 |
| 354 | Structures and Improvements | 24,434,367 | 473,028 | 0 | 24,907,395 | 0 | 24,907,395 | 3.30% | 821,788 |
| 355 | Power Generation Equipment | 649,893 | 676,369 | 0 | 1,326,262 | 0 | 1,326,262 | 3.78% | 50,083 |
| 360 | Collections Wastewater - Force | 3,981,509 | 0 | 0 | 3,981,509 | 0 | 3,981,509 | 2.00% | 79,630 |
| 361 | Collections Wastewater - Gravity | 48,898,841 | 133,069 | 0 | 49,031,910 | 0 | 49,031,910 | 2.00% | 979,266 |
| 362 | Special Collecting Structures | 348,090 | 0 | 0 | 348,090 | 0 | 348,090 | 2.00% | 6,962 |
| 363 | Services to Customers | 5,440,953 | 0 | 0 | 5,440,953 | 0 | 5,440,953 | 2.00% | 108,819 |
| 364 | Flow Measuring Devices | 57,068 | 1,560 | 0 | 58,628 | 19,163 | 39,465 | 9.63% | 3,802 |
| 365 | Flow Measuring Installations | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 366 | Reuse Services | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 367 | Reuse Meters & Meter Installations | 1,487 | 0 | 1,487 | 0 | 0 | 0 | 0.00% | 0 |
| 370 | Receiving Wells | 1,921,877 | 0 | 0 | 1,921,877 | 0 | 1,921,877 | 3.33% | 64,063 |
| 371 | Pumping Equipment | 4,802,821 | 71,896 | 13,273 | 4,861,445 | 3,802,001 | 1,059,443 | 12.95% | 137,224 |
| 374 | Reuse Distribution Reservoirs | 618,994 | 0 | 0 | 618,994 | 0 | 618,994 | 2.50% | 15,475 |
| 375 | Reuse Trans. And Distr. Equipment | 12,686,784 | 1,556,507 | 0 | 14,243,290 | 0 | 14,243,290 | 2.47% | 352,257 |
| 380 | Treatment and Disposal Equipment | 7,546,471 | 3,131,971 | 3,427 | 10,675,015 | 0 | 10,675,015 | 4.43% | 472,422 |
| 381 | Plant Sewers | 215,585 | 557,596 | 0 | 773,182 | 0 | 773,182 | 4.66% | 36,001 |
| 382 | Outfall Sewer Lines | 353,645 | 0 | 0 | 353,645 | 0 | 353,645 | 3.33% | 11,788 |
| 389 | Other Plant and Misc. Equipment | 2,523,846 | 26,827 | 3,606 | 2,547,067 | 0 | 2,547,067 | 6.72% | 171,130 |
| 390 | Office Furniture and Equipment | 53,522 | 0 | 20,878 | 32,644 | 20,878 | 11,766 | 9.15% | 1,077 |
| 390.1 | Computer & Software | 46,863 | 4,553 | 18,283 | 33,133 | 24,516 | 8,616 | 71.71% | 6,179 |
| 390.1 | Computer & Software - Allocated from Corporate | | | | | | | 0.00% | 76,597 |
| 391 | Transportation Equipment | 437,469 | 6,766 | 92,662 | 351,573 | 125,488 | 226,084 | 32.42% | 73,299 |
| 392 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 393 | Tools, Shop and Garage Equipment | 209,715 | 2,725 | 1,583 | 210,857 | 0 | 210,857 | 5.07% | 10,693 |
| 394 | Laboratory Equipment | 17,736 | 0 | 833 | 16,903 | 6,574 | 10,330 | 8.23% | 850 |
| 395 | Power Operated Equipment | 137,060 | 9,025 | 0 | 146,085 | 0 | 146,085 | 4.85% | 7,079 |
| 396 | Communication Equipment | 82,579 | 41,777 | 13,944 | 110,412 | 20,061 | 90,351 | 9.75% | 8,807 |
| 397 | Miscellaneous Equipment | 642,823 | 0 | 0 | 642,823 | 18,874 | 623,949 | 9.97% | 62,195 |
| 398 | Other Tangible Plant | 1,786,180 | 1,403 | (3,595) | 1,791,178 | 605,664 | 1,185,515 | 8.98% | 106,502 |
| | Subtotal | \$118,095,569 | \$6,695,073 | \$166,381 | \$124,624,261 | \$4,842,609 | \$119,781,651 | | \$3,663,987 |

Contribution(s) in Aid of Construction (Gross) **\$1,196,921**
Less: Non Amortizable Contribution(s) **0**
Fully Amortized Contribution(s) **0**
Amortizable Contribution(s) **\$1,196,921**
Times: Proposed Amortization Rate **2.37%**
Amortization of CIAC **\$28,419**

Less: Amortization of CIAC **\$28,419**

DEPRECIATION EXPENSE **\$3,635,568**

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.

Global Water-Palo Verde Utilities Company, Inc.
Annual Report
Balance Sheet Assets
12/31/17

| Balance Sheet Assets | | | | |
|----------------------|--|--|--|----------------------------------|
| | Assets | | Balance at Beginning of Year (2017) | Balance at End of Year (2017) |
| Account No. | Current and Accrued Assets | | | |
| 131 | Cash | | \$0 | \$142,400 |
| 132 | Special Deposits | | \$0 | \$0 |
| 133 | Other Special Deposits | | \$218,214 | \$427,182 |
| 134 | Working Funds | | \$0 | \$0 |
| 135 | Temporary Cash Investments | | \$0 | \$0 |
| 141 | Customer Accounts Receivable | | \$780,391 | \$851,451 |
| 142 | Other Accounts Receivable | | \$0 | \$2,588 |
| 143 | Accumulated Provision for Uncollectable Accounts | | (\$32,557) | (\$64,295) |
| 146 | Notes Receivable from Associated Companies | | \$399,566 | \$462,493 |
| 151 | Plant Material and Supplies | | \$6,960 | \$0 |
| 162 | Prepayments | | \$35,788 | \$61,629 |
| 173 | Accrued Utility Revenue | | \$917,198 | \$1,001,593 |
| 174 | Miscellaneous Current and Accrued Assets | | \$0 | \$0 |
| | Total Current and Accrued Assets | | \$2,325,561 | \$2,885,043 |
| | Deferred Debits | | | |
| 186.1 | Deferred Rate Case Expense | | \$53,144 | \$0 |
| 190 | Accumulated Deferred Income Taxes | | \$0 | \$603,914 |
| | Total Deferred Debits | | \$53,144 | \$603,914 |
| | Fixed Assets | | | |
| 101 | Utility Plant in Service* | | \$118,095,569 | \$124,624,261 |
| 103 | Property Held for Future Use | | \$0 | \$0 |
| 105 | Construction Work in Progress | | \$20,794,377 | \$23,704,690 |
| 108 | Accumulated Depreciation (enter as negative)* | | (\$35,339,665) | (38,757,867) |
| 121 | Non-Utility Property | | \$0 | \$0 |
| 122 | Accumulated Depreciation - Non Utility | | \$0 | \$0 |
| | Total Fixed Assets | | \$103,550,280 | \$109,571,083 |
| | Other Fixed Assets | | | |
| 114 | Utility Plant Acquisition Adjustments | | \$0 | \$0 |
| | Total Other Fixed Assets | | \$0 | |
| | Total Assets | | \$105,928,984 | \$113,060,040 |

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 the adjusted end of year balance from AR4.

Global Water-Palo Verde Utilities Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

| Balance Sheet Liabilities and Owners Equity | | | | |
|--|---|--|--|----------------------------------|
| | Liabilities | | Balance at Beginning of Year (2017) | Balance at End of Year (2017) |
| Account No. | Current Liabilities | | | |
| 231 | Accounts Payable | | \$837,744 | \$176,499 |
| 232 | Notes Payable (Current Portion) | | \$0 | \$0 |
| 234 | Notes Payable to Associated Companies | | \$0 | \$0 |
| 235 | Customer Deposits | | \$723,543 | \$679,963 |
| 236 | Accrued Taxes | | \$502,959 | \$552,638 |
| 237 | Accrued Interest | | \$130,805 | \$123,539 |
| 241 | Miscellaneous Current and Accrued Liabilities | | \$423,424 | \$662,872 |
| | Total Current Liabilities | | \$2,618,476 | \$2,195,512 |
| | Long Term Debt | | | |
| 224 | Long Term Debt (Notes and Bonds) | | \$0 | \$0 |
| | Total Long Term Debt | | \$0 | \$0 |
| | Deferred Credits | | | |
| 252 | Advances in Aid of Construction | | \$27,596,681 | \$27,687,538 |
| 253 | Other Deferred Credits | | \$215,522 | \$426,630 |
| 255 | Accumulated Deferred Investment Tax Credits | | \$0 | \$0 |
| 271 | Contributions in Aid of Construction | | \$1,195,358 | \$1,196,921 |
| 272 | Less: Amortization of Contributions | | (\$68,462) | (\$96,881) |
| 281 | Accumulated Deferred Income Tax | | \$538,279 | \$2,589,983 |
| | Total Deferred Credits | | \$29,477,379 | \$31,804,191 |
| | Total Liabilities | | \$32,095,854 | \$33,999,702 |
| | Capital Accounts | | | |
| 201 | Common Stock Issued | | \$10 | \$10 |
| 211 | Other Paid-In Capital | | \$56,273,538 | \$58,215,676 |
| 215 | Retained Earnings | | \$17,559,582 | \$20,844,652 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | \$0 | \$0 |
| | Total Capital | | \$73,833,130 | \$79,060,338 |
| | Total Liabilities and Capital | | \$105,928,984 | \$113,060,040 |

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!

Global Water-Palo Verde Utilities Company, Inc.
Annual Report
Wastewater Comparative Income Statement
12/31/17

| Wastewater Comparative Income Statement | | | |
|---|---|-------------------------|-------------------------|
| Account No. | Calendar Year | Current Year | Last Year |
| | | 01/01/2017 - 12/31/2017 | 01/01/2016 - 12/31/2016 |
| | Operating Revenue | | |
| 521 | Flat Rate Revenues | \$15,596,974 | \$14,765,249 |
| 522 | Measured Revenues | \$815,976 | \$693,498 |
| 534 | Rents from Wastewater Property | \$70,666 | \$80,743 |
| 536 | Other Wastewater Revenues | \$354,378 | \$281,438 |
| | Total Revenues | \$16,837,994 | \$15,820,928 |
| | Operating Expenses | | |
| 701 | Salaries and Wages | \$2,539,912 | \$2,715,095 |
| 704 | Employee Pensions and Benefits | \$304,318 | \$295,575 |
| 710 | Purchased Wastewater Treatment | \$0 | \$0 |
| 711 | Sludge Removal Expense | \$13,130 | \$43,132 |
| 715 | Purchased Power | \$660,997 | \$634,422 |
| 716 | Fuel for Power Production | \$5,920 | \$0 |
| 718 | Chemicals | \$263,849 | \$380,054 |
| 720 | Materials and Supplies | \$27,752 | \$42,614 |
| 720.1 | Repairs and Maintenance | \$104,216 | \$183,242 |
| 720.2 | Office Supplies and Expense | \$0 | \$0 |
| 721 | Office Expense | \$97,625 | \$177,239 |
| 731 | Contractual Services -Engineering | \$0 | \$0 |
| 732 | Contractual Services - Accounting | \$313,143 | \$317,489 |
| 733 | Contractual Services - Legal | \$171,712 | \$195,735 |
| 734 | Contractual Services - Management Fees | \$792,719 | \$767,713 |
| 735 | Contractual Services - Testing | \$39,084 | \$42,085 |
| 736 | Contractual Services - Other | \$148,839 | \$134,276 |
| 740 | Rents - Building | \$48,276 | \$44,426 |
| 742 | Rents - Equipment | \$10,734 | \$11,053 |
| 750 | Transportation Expenses | \$88,155 | \$95,663 |
| 756 | Insurance - Vehicles | \$203 | \$1,287 |
| 757 | Insurance - General Liability | \$194,066 | \$181,652 |
| 758 | Insurance - Worker's Compensation | \$37,163 | \$26,647 |
| 759 | Insurance - Other | \$0 | \$0 |
| 760 | Advertising Expense | \$9,571 | \$9,736 |
| 766 | Regulatory Commission Expense - Rate Case | \$53,144 | \$53,145 |
| 767 | Regulatory Commission Expense - Other | \$42,720 | \$33,699 |
| 770 | Bad Debt Expense | \$68,936 | \$28,221 |
| 775 | Miscellaneous Expense | \$1,163,648 | \$1,411,417 |
| 403 | Depreciation Expense (From Schedule AR4) | 3,635,568 | \$3,387,879 |
| 408 | Taxes Other Than Income | \$98,894 | \$0 |
| 408.11 | Property Taxes | \$1,091,571 | \$999,217 |
| 408.12 | Payroll Taxes | \$157,188 | \$152,482 |
| 408.13 | Other Taxes and Licenses | \$12,495 | \$11,842 |
| 409 | Income Taxes | \$1,348,643 | \$1,291,487 |
| | Total Operating Expenses | \$13,544,190 | \$13,668,523 |
| | Operating Income / (Loss) | \$3,293,804 | \$2,152,405 |
| | Other Income / (Expense) | | |
| 414 | Gain (Loss) on Dispositions | (\$7,963) | \$5,235 |
| 419 | Interest and Dividend Income | \$1,739 | \$1,040 |
| 421 | Non-Utility Income | \$0 | \$16,352 |
| 426 | Miscellaneous Non-Utility (Expense) | (\$304) | \$33 |
| 427 | Interest (Expense) | (\$2,206) | (\$12,643) |
| | Total Other Income / (Expense) | (\$8,734) | \$10,018 |
| | Net Income / (Loss) | \$3,285,070 | \$2,162,423 |

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.

| Supplemental Financial Data (Long-Term Debt) | | | | |
|---|---------|---------|---------|---------|
| | Loan #1 | Loan #2 | Loan #3 | Loan #4 |
| Date Issued | None | None | None | None |
| Source of Loan | None | None | None | None |
| ACC Decision No. | None | None | None | None |
| Reason for Loan | None | None | None | None |
| Dollar Amt. Issued | None | None | None | None |
| Amount Outstanding | None | None | None | None |
| Date of Maturity | None | None | None | None |
| Interest Rate | None | None | None | None |
| Current Year Interest | None | None | None | None |
| Current Year Principal | None | None | None | None |

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

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

| |
|---|
| <i>List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.</i> |
|---|

Wastewater Utility Plant Description

| | | | |
|--|------------------------------|--|--|
| Name of System: | Palo Verde Utilities Company | | |
| Wastewater Inventory Number (if applicable): | NA | | |
| Type of Treatment | Other | | |
| Design Capacity of Plant (Gallons per day) | 9,000,000 | | |

| LIFT STATION FACILITIES | | | | |
|-------------------------|-------------------|---------------------|-------------------------|--------------------------|
| Location | Quantity of Pumps | Horsepower Per Pump | Capacity Per Pump (GPM) | Wet Well Capacity (gals) |
| McDavid | 2 | 70 | 650 | 15000 |
| Cobblestone | 2 | 18 | 1200 | 8900 |
| Tortosa | 2 | 5 | 300 | 10300 |
| Maricopa Groves | 2 | 40 | 750 | 24600 |
| Alterra | 2 | 15 | 690 | 13200 |
| Rancho El Dorado | 1 | 15 | 1100 | 23095 |
| Rancho El Dorado | 2 | 20 | 1000 | 23095 |
| Palo Verde WRF | 2 | 34 | 2350 | 328000 |
| Smith Enke Lift Station | 4 | 10 | 900 | 5880 |
| 0 | 0 | 0 | 0 | 0 |

| FORCE MAINS | | |
|-------------|--------------|---------------|
| Size | Material | Length (Feet) |
| 4 | Unknown | 40 |
| 14 | Unknown | 33 |
| 30 | Unknown | 10 |
| 4 | Ductile Iron | 42 |
| 6 | Ductile Iron | 38 |
| 8 | Ductile Iron | 179 |
| 10 | Ductile Iron | 65 |
| 12 | Ductile Iron | 741 |
| 16 | Ductile Iron | 16 |
| 18 | Ductile Iron | 17 |
| 24 | Ductile Iron | 942 |
| 30 | Ductile Iron | 50 |
| 6 | PVC | 1,961 |
| 8 | PVC | 31,637 |
| 10 | PVC | 6,329 |
| 12 | PVC | 1,520 |
| 14 | PVC | 7,991 |
| 24 | PVC | 5,584 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |

| MANHOLES | |
|----------|----------|
| Type | Quantity |
| Standard | 4,172 |
| Drop | 45 |

| CLEANOUTS | |
|-----------|-----|
| Quantity | |
| | 322 |
| | 0 |
| | 0 |
| | 0 |

Global Water-Palo Verde Utilities Company, Inc.
 Annual Report
 Wastewater Utility Plant Description (Continued)

| Wastewater Utility Plant Description (Continued) | | | | | |
|--|--------------|---------------|-------------------|----------|----------|
| COLLECTION MAINS | | | SERVICES/LATERALS | | |
| Sizes (inches) | Material | Length (feet) | Size (inches) | Material | Quantity |
| 6 | Unknown | 98 | 4 | PVC | 22,442 |
| 24 | Unknown | 15 | 6 | PVC | 31 |
| 48 | Unknown | 19 | 8 | 0 | 0 |
| 8 | ABS | 29 | 12 | 0 | 0 |
| 6 | Ductile Iron | 160 | 15 | 0 | 0 |
| 8 | Ductile Iron | 2,963 | 0 | 0 | 0 |
| 10 | Ductile Iron | 268 | 0 | 0 | 0 |
| 12 | Ductile Iron | 1,339 | 0 | 0 | 0 |
| 18 | Ductile Iron | 196 | 0 | 0 | 0 |
| 24 | Ductile Iron | 641 | 0 | 0 | 0 |
| 30 | Ductile Iron | 1,907 | 0 | 0 | 0 |
| 12 | HDPE | 190 | 0 | 0 | 0 |
| 15 | HDPE | 225 | 0 | 0 | 0 |
| 18 | HDPE | 2,468 | 0 | 0 | 0 |
| 24 | HDPE | 16,308 | 0 | 0 | 0 |
| 27 | HDPE | 1,678 | 0 | 0 | 0 |
| 30 | HDPE | 17,291 | 0 | 0 | 0 |
| 36 | HDPE | 2,382 | 0 | 0 | 0 |
| 42 | HDPE | 10,553 | 0 | 0 | 0 |
| 48 | HDPE | 5,852 | 0 | 0 | 0 |
| 4 | PVC | 815 | 0 | 0 | 0 |
| 6 | PVC | 2,392 | 0 | 0 | 0 |
| 8 | PVC | 795,677 | 0 | 0 | 0 |
| 10 | PVC | 48,023 | 0 | 0 | 0 |
| 12 | PVC | 74,151 | 0 | 0 | 0 |
| 15 | PVC | 17,413 | 0 | 0 | 0 |
| 18 | PVC | 9,072 | 0 | 0 | 0 |
| 21 | PVC | 547 | 0 | 0 | 0 |
| 24 | PVC | 41,474 | 0 | 0 | 0 |
| 30 | PVC | 9,328 | 0 | 0 | 0 |
| 36 | PVC | 28,774 | 0 | 0 | 0 |
| 42 | PVC | 228 | 0 | 0 | 0 |
| 48 | PVC | 4,515 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 |

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

| | |
|---|---|
| SOLIDS PROCESSING AND HANDLING FACILITIES | 2 x Belt Press; 2 x Conveyor System for Bio-solids; 3 x Influent Trash removal Auger; 1 x Washer Compactor, 2 x Grit Classifier, 1 x Conveyor for Grit/Trash |
| DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.) | 4 x Trojan UV Treatment Modules, Chlorination |
| FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.) | 2 x 10 MGD Disc Filter |
| STRUCTURES (Buildings, Fences, Etc.) | 1 x Office/Lab/Storage = 1500 sq ft; 1 x SBR Blower Building = 1400 sq ft; 1 x Headworks Building = 2800 sq ft; 1 x Blower / Solids Handling = 2400 sq ft; Masonry Walls = 1,878 ft; 2 x connex storage; Masonry Brick Walls at Cobblestone LS, Alterra LS, Groves LS, RED LS, Tortosa LS; Chain Link Fense = 2450 ft; McDavid LS Chain link fense |
| Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.) | 6 x Odor Scrubber; 1 x Chlorine Injection, 1 x Bisulfate injection system; 1 x Polymer Injection System; 2 x 1500 kW generator; 2 x 350 kVA Generator; 2 x 80 kVA Gnerators; 2 x 60 kVA Generators; 2 x Hach Water Test Kit (DR2000); 2 xChevy Silverados; 1 x Toyota Tacoma; 1 x Honda Civic; 1 x Ford Explorer; 1 x Ford F-350; 2 x Vactor Trucks; 1 x Kenworth Roll-off Truck; 1 x roll-off flat bed; 5 x 20 CY roll-off dumpster; 3 x 30 CY Roll-off Dumpsters; 2 x Diesel Pumps; 1 x Mobile Air Compressor; 1 x All terrain forklift |

Note: If you are filing for more than one system, please provide separate sheets for each system.

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.

| Wastewater Flows | | | | | |
|------------------|--------------------|---------------------------|-------------------------|--------------------------------------|------------------------------------|
| Month | Number of Services | Total Monthly Sewage Flow | Sewage Flow on Peak Day | Purchased Power Expense ¹ | Purchased Power (kWh) ² |
| January | 18,415 | 78,584,000 | 2,976,000 | \$57,698 | 519,669 |
| February | 18,458 | 75,812,000 | 3,184,000 | 52,213 | 465,198 |
| March | 18,525 | 79,688,000 | 3,063,000 | 55,249 | 489,139 |
| April | 18,582 | 79,432,352 | 3,149,273 | 61,986 | 575,983 |
| May | 18,672 | 78,566,693 | 2,918,894 | 51,673 | 464,486 |
| June | 18,718 | 74,074,601 | 2,829,239 | 52,161 | 473,504 |
| July | 18,807 | 80,698,289 | 3,316,224 | 53,092 | 484,127 |
| August | 18,837 | 82,001,010 | 3,054,302 | 52,625 | 472,096 |
| September | 18,917 | 78,812,702 | 3,026,272 | 57,556 | 527,896 |
| October | 19,013 | 82,136,656 | 3,155,097 | 51,254 | 456,971 |
| November | 19,075 | 82,011,867 | 3,082,157 | 56,516 | 503,865 |
| December | 19,146 | 82,945,844 | 3,032,295 | 55,595 | 489,337 |
| | Totals | 954,764,014 | 36,786,753 | \$657,619 | 5,922,271 |

Provide the following information as applicable per wastewater system:

| | |
|---|-----------|
| Method of Effluent Disposal | Reuse |
| Groundwater Permit Number | 0 |
| ADEQ Aquifer Protection Permit ("APP") Number | P105228 |
| ADEQ Aquifer Protection Permit ("APP") Number | P105922 |
| ADEQ Aquifer Protection Permit ("APP") Number | 0 |
| ADEQ Aquifer Protection Permit ("APP") Number | P105668 |
| ADEQ Reuse Permit Number | R106345 |
| EPA NPDES Permil Number | AZ0025071 |
| APP Effluent Treatment Requirement (Class)? | A+ |

Note: purchased power expense above does not match the purchased power on the income statement in tab ar6 because the purchased power above is actual billed, and the billing period does not align with the calendar month. purchased power on the income statement is accrued for the calendar month.

Note: If you are filing for more than one system, please provide separate sheets for each system.

¹ Enter the total purchased power costs for the power meters associated with this system.
² Enter the total purchased kWh used by the power meters associated with this system.

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.

Global Water-Palo Verde Utilities Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

| | |
|--|------------------------------|
| Name of System: | Palo Verde Utilities Company |
| Wastewater Inventory Number (if applicable): | NA |

| Utility Shutoffs / Disconnects | | | |
|--------------------------------|--|-------------------------------------|----------|
| Month | Termination without Notice R14-2-609.B | Termination with Notice R14-2-609.C | Other |
| January | 0 | 529 | 0 |
| February | 0 | 289 | 0 |
| March | 0 | 312 | 0 |
| April | 0 | 354 | 0 |
| May | 0 | 264 | 0 |
| June | 0 | 453 | 0 |
| July | 0 | 434 | 0 |
| August | 0 | 283 | 0 |
| September | 0 | 379 | 0 |
| October | 0 | 322 | 0 |
| November | 0 | 333 | 0 |
| December | 0 | 184 | 0 |
| Total | 0 | 4,136 | 0 |

Other (description):

| |
|---|
| 0 |
|---|

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

Global Water-Palo Verde Utilities Company, Inc.
Annual Report
Property Taxes
12/31/17

| Property Taxes | |
|--|-------------|
| Amount of actual property taxes paid during Calendar Year 2017 was | \$1,045,721 |

If no property taxes paid, explain why.

N/A

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.

RECEIVED

Verification and Statement (Taxes)

APR 13 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Maricopa
Name (owner or official) title: Jon Corwin, General Manager
Company name: Global Water-Palo Verde Utilities Company, Inc.

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

FOR THE YEAR ENDING: 12/31/17

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.

Jon Corwin
signature of owner/official

520-265-1947
telephone no.

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

THIS

MY COMMISSION EXPIRES



Kris Jesberger
Notary Public State of Arizona (county name)
Maricopa County
My Commission Expires (month) and (year)
January 9, 2021

(date)

Kris Jesberger
(signature of notary public)

Verification and Statement

Verification:

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

County of (county name): Maricopa

Name (owner or official) title: Jon Corwin, General Manager

Company name: Global Water-Palo Verde Utilities Company, Inc.

RECEIVED

APR 13 2018

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: 12/31/17

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 (\$)

\$16,833,388

(The amount in the box above includes

\$68,796 in sales taxes
billed or collected)

Jon Corwin
signature of owner/official

520-265-1947
telephone no.

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

THIS



Kris Jesberger
Notary Public State of Arizona
Maricopa County (county name)
DAY OF January 9, 2021
My Commission Expires (month) and (year)

MY COMMISSION EXPIRES

(date)

Kris Jesberger
(signature of notary public)

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Jon Corwin, General Manager
Company name: Global Water-Palo Verde Utilities Company, Inc.

RECEIVED
APR 13 2018
UTILITIES DIVISION - DIRECTOR'S OFFICE
ARIZONA CORP COMMISSION

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)

\$15,189,769

(The amount in the box above includes

\$0 in sales taxes

billed or collected)

Jon Corwin
signature of owner/official

520-265-1947

telephone no.

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

THIS



Kris Jesberger (county name)

Notary Public State of Arizona

Maricopa County

My Commission Expires 12 month(s) and (year)

January 9, 2021

MY COMMISSION EXPIRES

(date)

Kris Jesberger
(signature of notary public)