

ANNUAL REPORT

Of

Company Name: Pine Meadows Utilities, LLC
7581 E. Academy Blvd., Ste. 229

Mailing Address: Denver CO
80230

Docket No.: SW-03962A
For the Year Ended: 12/31/17

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

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdefuente@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date:

4-17-18

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Pine Meadows Utilities, LLC

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	\$3,329	\$0		\$3,329	\$2,081	\$1,248
352	Franchises				0		0
353	Land and Land Rights				0		0
354	Structures and Improvements	27,290	0		27,290	14,606	12,684
355	Power Generation Equipment	90,000	0		90,000	72,000	18,000
360	Collections Wastewater - Force	109,550	0		109,550	27,681	81,869
361	Collections Wastewater - Gravity	205,528	0		205,528	129,859	75,669
362	Special Collecting Structures				0		0
363	Services to Customers	50,000	0		50,000	25,000	25,000
364	Flow Measuring Devices				0		0
365	Flow Measuring Installations				0		0
366	Reuse Services				0		0
367	Reuse Meters & Meter Installations				0		0
370	Receiving Wells	96,000	0		96,000	60,768	35,232
371	Pumping Equipment	24,596	0		24,596	12,707	11,890
374	Reuse Distribution Reservoirs				0		0
375	Reuse Trans And Distr. Equipment				0		0
380	Treatment and Disposal Equipment	313,945	0		313,945	244,224	69,721
381	Plant Sewers				0		0
382	Outfall Sewer Lines				0		0
389	Other Plant and Misc. Equipment	7,537	0		7,537	6,159	1,378
390	Office Furniture and Equipment	130	0		130	103	27
390.1	Computer & Software				0		0
391	Transportation Equipment				0		0
392	Stores Equipment				0		0
393	Tools, Shop and Garage Equipment				0		0
394	Laboratory Equipment	2,586	0		2,586	2,586	0
395	Power Operated Equipment				0		0
396	Communication Equipment				0		0
397	Miscellaneous Equipment				0		0
398	Other Tangible Plant	101	0		101	58	43
	Totals	\$930,592	\$0	\$0	\$930,592	\$597,831	\$332,760

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.

Pine Meadows Utilities, LLC
 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	Depreciation Percentages	Depreciation Expense
351	Organization	\$3,329	\$0	\$0	\$3,329			\$0
352	Franchises	0	0	0	0			0
353	Land and Land Rights	0	0	0	0			0
354	Structures and Improvements	27,290	0	0	27,290		3.33%	909
355	Power Generation Equipment	90,000	0	0	90,000		5.00%	4,500
360	Collections Wastewater - Force	109,550	0	0	109,550		2.00%	2,191
361	Collections Wastewater - Gravity	205,528	0	0	205,528		2.00%	4,111
362	Special Collecting Structures	0	0	0	0			0
363	Services to Customers	50,000	0	0	50,000		2.00%	1,000
364	Flow Measuring Devices	0	0	0	0			0
365	Flow Measuring Installations	0	0	0	0			0
366	Reuse Services	0	0	0	0			0
367	Reuse Meters & Meter Installations	0	0	0	0			0
370	Receiving Wells	96,000	0	0	96,000		3.33%	3,197
371	Pumping Equipment	24,596	0	0	24,596		12.50%	3,075
374	Reuse Distribution Reservoirs	0	0	0	0			0
375	Reuse Trans. And Distr. Equipment	0	0	0	0			0
380	Treatment and Disposal Equipment	313,945	0	0	313,945		5.00%	15,697
381	Plant Sewers	0	0	0	0			0
382	Outfall Sewer Lanes	0	0	0	0			0
389	Other Plant and Misc. Equipment	7,537	0	0	7,537		6.67%	503
390	Office Furniture and Equipment	130	0	0	130		6.67%	9
390.1	Computer & Software	0	0	0	0			0
391	Transportation Equipment	0	0	0	0			0
392	Stores Equipment	0	0	0	0			0
393	Tools, Shop and Garage Equipment	0	0	0	0			0
394	Laboratory Equipment	2,586	0	0	2,586		10.00%	259
395	Power Operated Equipment	0	0	0	0			0
396	Communication Equipment	0	0	0	0			0
397	Miscellaneous Equipment	0	0	0	0			0
398	Other Tangible Plant	101	0	0	101		10.00%	10
	Subtotal	\$930,592	\$0	\$0	\$930,592	\$0		\$35,459

Contribution(s) in Aid of Construction (Gross)	\$868,312
Less: Non Amortizable Contribution(s)	
Fully Amortized Contribution(s)	
Amortizable Contribution(s)	\$868,312
Times: Proposed Amortization Rate	3.81%
Amortization of CIAC	\$33,204
Less: Amortization of CIAC	\$33,204
DEPRECIATION EXPENSE	\$2,255

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.

Pine Meadows Utilities, LLC
 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		\$4,782	(\$2,042)
132	Special Deposits			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		3,811	8,788
142	Other Accounts Receivable			
143	Accumulated Provision for Uncollectable Accounts			
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments		198	
173	Accrued Utility Revenue			
174	Miscellaneous Current and Accrued Assets		786	
	Total Current and Accrued Assets		\$9,577	\$6,745
	Deferred Debits			
186.1	Deferred Rate Case Expense			
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$930,592	\$930,592
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(562,507)	(597,831)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$368,085	\$332,760
	Total Assets		\$377,662	\$339,506

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.

Pine Meadows Utilities, LLC
 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		\$223,326	\$249,588
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		1,664	2,420
236	Accrued Taxes			
237	Accrued Interest			
241	Miscellaneous Current and Accrued Liabilities			
253	Other Deferred Credits			
	Total Current Liabilities		\$224,990	\$252,008
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		868,312	868,312
272	Less: Amortization of Contributions		(468,111)	(501,316)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$400,201	\$366,996
	Total Liabilities		\$625,191	\$619,004
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital		(223,624)	(234,779)
215	Retained Earnings		(23,905)	(44,720)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		(\$247,529)	(\$279,499)
	Total Liabilities and Capital		\$377,662	\$339,506

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!

Pine Meadows Utilities, LLC
Annual Report
Wastewater Comparative Income Statement
12/31/17

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
521	Flat Rate Revenues	\$58,210	\$57,886
522	Measured Revenues		
534	Rents from Wastewater Property		
536	Other Wastewater Revenues	2,119	1,490
	Total Revenues	\$60,329	\$59,376
	Operating Expenses		
701	Salaries and Wages		
704	Employee Pensions and Benefits		
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	4,500	7,188
715	Purchased Power	13,882	13,710
716	Fuel for Power Production		
718	Chemicals	11,616	8,296
720	Materials and Supplies	7,661	1,813
720.1	Repairs and Maintenance		
720.2	Office Supplies and Expense		
721	Office Expense		
731	Contractual Services - Engineering		
732	Contractual Services - Accounting	950	900
733	Contractual Services - Legal	0	85
734	Contractual Services - Management Fees	36,063	21,485
735	Contractual Services - Testing	10,105	8,823
736	Contractual Services - Other		8,102
740	Rents - Building		
742	Rents - Equipment		
750	Transportation Expenses	3,911	3,273
757	Insurance - General Liability	604	324
758	Insurance - Worker's Compensation		
759	Insurance - Other		
760	Advertising Expense		
766	Regulatory Commission Expense - Rate Case		
767	Regulatory Commission Expense - Other	8,500	
770	Bad Debt Expense		955
775	Miscellaneous Expense	4,204	3,055
403	Depreciation Expense (From Schedule AR4)	2,255	2,258
408	Taxes Other Than Income	3,062	
408.11	Property Taxes		3,114
408.12	Payroll Taxes		
409	Income Taxes		
	Total Operating Expenses	\$107,312	\$83,381
	Operating Income / (Loss)	(\$46,983)	(\$24,005)
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions		
419	Interest and Dividend Income		
421	Non-Utility Income	2,128	100
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	Total Other Income / (Expense)	\$2,128	\$100
	Net Income / (Loss)	(\$44,855)	(\$23,905)

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				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amt. Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:

Meter Deposits Refunded During the Test Year:

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.

Wastewater Utility Plant Description

Name of System:	Houston Creek Landing WWTP
Wastewater Inventory Number (if applicable):	103676
Type of Treatment	Other
Design Capacity of Plant (Gallons per day)	37,000

LIFT STATION FACILITIES				
Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
32.5 Highline Drive, Sta 2		10	50	2,070

FORCE MAINS		
Size	Material	Length (Feet)
2 inch	PVC	1,411
4 inch	PVC	5,304

MANHOLES	
Type	Quantity
Standard	42
Drop	

CLEANOUTS
Quantity
1

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 relevant 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 Utility Plant Description (Continued)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	NA		4	PVC	125
6	PVC	1,637	6		
8	PVC	4,941	8		
10					
12					
15					
18					
21					
24					
30					

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

SOLIDS PROCESSING AND HANDLING FACILITIES	One aerated sludge holding tank/digester
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	one chlorine contact tank with tablet feed system
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	N/A
STRUCTURES (Buildings, Fences, Etc.)	One stick-build on-site operations/equipment control building with concrete loading dock. Perimeter chain link fence.
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Laboratory/process control testing equipment. 50kw standby generator.

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 relevant 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	115	410,000	13,226	\$1,128	\$8,512
February	116	289,000	10,321	\$1,061	\$8,146
March	116	348,000	17,000	\$1,143	\$9,062
April	116	314,000	16,000	\$1,039	\$7,769
May	117	316,000	19,000	\$1,185	\$7,603
June	117	437,000	14,567	\$1,272	\$8,364
July	116	398,000	21,000	\$1,187	\$7,504
August	116	406,000	13,097	\$1,214	\$7,789
September	117	385,000	12,833	\$1,220	\$7,499
October	117	317,000	15,000	\$1,185	\$7,476
November	114	367,000	18,000	\$1,103	\$8,230
December	120	358,000	11,547	\$1,106	\$8,221
	Totals	4,345,000	181,591	\$13,843	96,175

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Other
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit ("APP") Number	P103676
ADEQ Reuse Permit Number	
EPA NPDES Permil Number	AZ9925395
APP Effluent Treatment Requirement (Class)?	

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.

Pine Meadows Utilities, LLC
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

Name of System:	Houston Creek Landing WWTP
Wastewater Inventory Number (if applicable):	103676

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.C	Other
January			
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.

Pine Meadows Utilities, LLC
Annual Report
Property Taxes
12/31/17

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2017 was	\$3,062
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If no property taxes paid, explain why.

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.

Verification and Sworn Statement (Taxes)

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

County of (county name): Denver
Name (owner or official) title: Jason Williamson
Company name: Pine Meadows Utilities, LLC

RECEIVED

APR 13 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

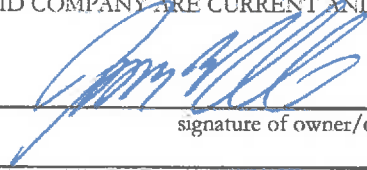
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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: 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.



signature of owner/official

720.949.1384

telephone no.

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

THIS

12th

DAY OF

Denver

(county name)

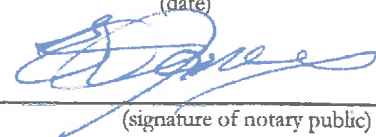
April 2018

(month) and (year)

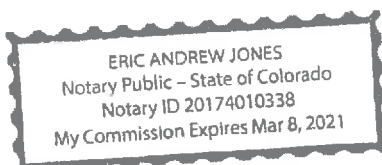
MY COMMISSION EXPIRES

03/08/21

(date)



(signature of notary public)



Verification and Sworn Statement

RECEIVED

Verification:

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

County of (county name): 0 Denver

Name (owner or official) title: Jason Williamson

Company name: Pine Meadows Utilities, LLC

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:

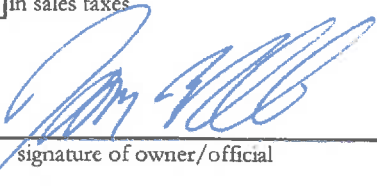
Arizona Intrastate Gross Operating Revenues Only (\$)

\$62,380

(The amount in the box above includes

\$0 in sales taxes

billed or collected)



signature of owner/official

720.949.1384

telephone no.

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

THIS 12th

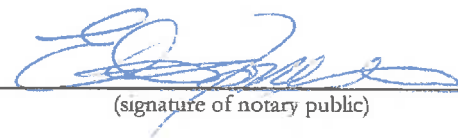
DAY OF

Denver
(county name)
April 2018
(month) and (year)

MY COMMISSION EXPIRES

03/08/21
(date)

ERIC ANDREW JONES
Notary Public - State of Colorado
Notary ID 20174010338
My Commission Expires Mar 8, 2021



(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name):

0 Denver

Name (owner or official) title:

Jason Williamson

Company name:

Pine Meadows Utilities, LLC

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.

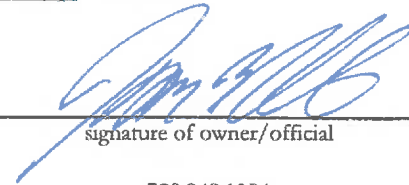
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$62,380

(The amount in the box above includes

\$0 in sales taxes
billed or collected)



signature of owner/official

720.949.1384

telephone no.

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

Denver
(county name)

THIS

12th

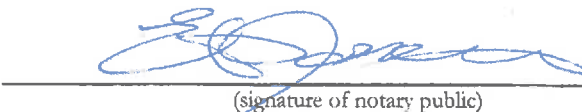
DAY OF

April 2018
(month) and (year)

MY COMMISSION EXPIRES

03/08/21
(date)

ERIC ANDREW JONES
Notary Public - State of Colorado
Notary ID 20174010338
My Commission Expires Mar 8, 2021



(signature of notary public)