

ANNUAL REPORT

Of

Company Name: Ajo Improvement Company
PO Drawer 9

Mailing Address: Ajo AZ
85321

Docket No.: WS-01025A
For the Year Ended: 12/31/18

RECEIVED
APR 05 2019
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: 4/2/2019

4-5-19

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Ajo Improvement Company
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:

Ajo Improvement Company
 Annual Report
 Utility Plant in Service (Wastewater)
 12/31/18

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	\$0	\$0	\$0	0	0	0
354	Structures and Improvements	\$0	\$0	\$0	0	0	0
355	Power Generation Equipment	\$0	\$0	\$0	0	0	0
360	Collections Wastewater - Force	13,243,606	\$0	\$0	13,243,606	2,776,814	10,466,792
361	Collections Wastewater - Gravity	6,101,464	\$0	\$0	6,101,464	604,400	5,497,063
362	Special Collecting Structures	0	\$0	\$0	0	0	0
363	Services to Customers	0	\$0	\$0	0	0	0
364	Flow Measuring Devices	0	\$0	\$0	0	0	0
365	Flow Measuring Installations	0	\$0	\$0	0	0	0
366	Reuse Services	0	\$0	\$0	0	0	0
367	Reuse Meters & Meter Installations	0	\$0	\$0	0	0	0
370	Receiving Wells	0	\$0	\$0	0	0	0
371	Pumping Equipment	0	\$0	\$0	0	0	0
374	Reuse Distribution Reservoirs	0	\$0	\$0	0	0	0
375	Reuse Trans. And Distr. Equipment	0	\$0	\$0	0	0	0
380	Treatment and Disposal Equipment	1,823,144	\$0	\$0	1,823,144	425,400	1,397,744
381	Plant Sewers	0	\$0	\$0	0	0	0
382	Outfall Sewer Lines	0	\$0	\$0	0	0	0
389	Other Plant and Misc. Equipment	0	\$0	\$0	0	0	0
390	Office Furniture and Equipment	0	\$0	\$0	0	0	0
390.1	Computer & Software	0	\$0	\$0	0	0	0
391	Transportation Equipment	43,500	\$0	\$0	43,500	43,500	0
392	Stores Equipment	0	\$0	\$0	0	0	0
393	Tools, Shop and Garage Equipment	30,284	\$0	\$0	30,284	30,284	0
394	Laboratory Equipment	0	\$0	\$0	0	0	0
395	Power Operated Equipment	0	\$0	\$0	0	0	0
396	Communication Equipment	0	\$0	\$0	0	0	0
397	Miscellaneous Equipment	0	\$0	\$0	0	0	0
398	Other Tangible Plant	0	\$0	\$0	0	0	0
	Totals	\$21,241,997	\$0	\$0	\$21,241,997	\$3,880,398	\$17,361,599

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.

Ajo Improvement Company
Annual Report
Depreciation Expense for the Current Year (Wastewater)
12/31/18

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	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	0	0	0	0	0	0.00%	0
354	Structures and Improvements	0	0	0	0	0	0.00%	0
355	Power Generation Equipment	0	0	0	0	0	0.00%	0
360	Collections Wastewater - Force	13,243,606	0	0	13,243,606	2,776,814	3.90%	408,406
361	Collections Wastewater - Gravity	6,101,464	0	0	6,101,464	604,400	2.22%	122,029
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	0	0	0	0	0	0.00%	0
364	Flow Measuring Devices	0	0	0	0	0	0.00%	0
365	Flow Measuring Installations	0	0	0	0	0	0.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	0	0	0	0	0	0.00%	0
371	Pumping Equipment	0	0	0	0	0	0.00%	0
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0.00%	0
380	Treatment and Disposal Equipment	1,823,144	0	0	1,823,144	425,400	4.35%	60,771
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	0	0	0	0	0	0.00%	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
390	Office Furniture and Equipment	0	0	0	0	0	0.00%	0
390.1	Computer & Software	0	0	0	0	0	0.00%	0
391	Transportation Equipment	43,500	0	0	43,500	43,500	0.00%	0
392	Stores Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	30,284	0	0	30,284	30,284	0.00%	0
394	Laboratory Equipment	0	0	0	0	0	0.00%	0
395	Power Operated Equipment	0	0	0	0	0	0.00%	0
396	Communication Equipment	0	0	0	0	0	0.00%	0
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$21,241,997	\$0	\$0	\$21,241,997	\$3,880,398		\$591,207

Contribution(s) in Aid of Construction (Gross)	\$286,932
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	21,042
Amortizable Contribution(s)	\$265,890
Times: Proposed Amortization Rate	3.41%
Amortization of CIAC	\$9,054

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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

Ajo Improvement Company
Annual Report
Balance Sheet Assets
12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$29,018	\$673,743
132	Special Deposits		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		23,974	25,551
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		0	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		4,732	3,117
162	Prepayments		0	0
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$57,723	\$702,411
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$21,241,997	\$21,241,997
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(3,289,191)	(3,880,398)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$17,952,806	\$17,361,599
	Total Assets		\$18,010,530	\$18,064,010

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.

Note these items feed automatically from the adjusted end of year balance from AR4.

Ajo Improvement Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities			
231	Accounts Payable		\$9,697	\$15,383
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		3,119,932	2,910,183
235	Customer Deposits		0	0
236	Accrued Taxes		1,688	21,294
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		0	0
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$3,131,317	\$2,946,860
	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		\$0	\$0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		286,932	286,932
272	Less: Amortization of Contributions		(15,303)	(21,042)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$271,629	\$265,890
	Total Liabilities		\$3,402,946	\$3,212,751
	Capital Accounts			
201	Common Stock Issued		\$392,000	\$392,000
211	Other Paid-In Capital		24,275,043	24,275,043
215	Retained Earnings		(10,059,460)	(9,815,784)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$14,607,583	\$14,851,259
	Total Liabilities and Capital		\$18,010,529	\$18,064,010

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.

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

Ajo Improvement Company
Annual Report
Wastewater Comparative Income Statement
12/31/18

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 -	Last Year 01/01/2017 -
	Operating Revenue		
521	Flat Rate Revenues	\$233,993	\$233,049
522	Measured Revenues	0	0
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	0	0
	Total Revenues	\$233,993	\$233,049
	Operating Expenses		
701	Salaries and Wages	\$0	\$85,476
704	Employee Pensions and Benefits	64,436	0
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	0	0
715	Purchased Power	31,835	33,591
716	Fuel for Power Production	0	0
718	Chemicals	2,083	1,891
720	Materials and Supplies	4,118	7,995
720.1	Repairs and Maintenance	0	0
720.2	Office Supplies and Expense	0	0
721	Office Expense	0	0
731	Contractual Services -Engineering	0	0
732	Contractual Services - Accounting	26,064	13,082
733	Contractual Services - Legal	0	0
734	Contractual Services - Management Fees	0	0
735	Contractual Services - Testing	3,773	3,924
736	Contractual Services - Other	26,849	33,891
740	Rents - Building	15,000	15,060
742	Rents - Equipment	0	0
750	Transportation Expenses	12,738	17,410
757	Insurance - General Liability	2,236	2,452
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	298	0
766	Regulatory Commission Expense - Rate Case	0	0
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	2,354	0
775	Miscellaneous Expense	40,936	52,409
403	Depreciation Expense (From Schedule AR4)	582,153	787,043
408	Taxes Other Than Income	0	0
408.11	Property Taxes	33,901	7,010
408.12	Payroll Taxes	0	0
409	Income Taxes	0	0
	Total Operating Expenses	\$848,772	\$1,061,234
	Operating Income / (Loss)	(\$614,779)	(\$828,185)
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	0	0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$614,779)	(\$828,185)

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.

Ajo Improvement Company
 Annual Report
 Full time equivalent employees
 12/31/18

Full time equivalent employees

	Direct Company	Outside service	Total
President	1.0	0.0	1.0
Vice-president	0.0	0.0	0.0
Manager	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0
System Operator(s)	4.0	0.0	4.0
Customer Service	0.0	0.0	0.0
Accounting	0.0	0.0	0.0
Business Office	2.0	0.0	2.0
Rates Department	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0
Other	5.0	0.0	5.0
Total	12.0	0.0	12.0

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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Ajo Improvement Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/18

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Source of Loan	1/0/1900	1/0/1900	1/0/1900	1/0/1900
ACC Decision No.	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Reason for Loan	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Dollar Amt. Issued	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Amount Outstanding	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Date of Maturity	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Interest Rate	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Current Year Interest	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Current Year Principal	1/0/1900	1/0/1900	1/0/1900	1/0/1900

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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.</i>
--

Ajo Improvement Company
 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
4	Fiberglass line transite	2,700	4	PVC	1,200
6	Fiberglass line transite	9,468	6	NA	0
8	PVC	58,600	8	NA	0
10	PVC	2,990	10	NA	0
12	PVC	1,820			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			
NA	NA	0			

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

SOLIDS PROCESSING AND HANDLING FACILITIES	Waste Water Treatment Plant
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	None
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	None
STRUCTURES (Buildings, Fences, Etc.)	6' Chain link enclosed fence.
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Utility Pickup, 10,000 gallon surge tank, two (2) centrifugal effluent pumps.

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.

Ajo Improvement Company
 Annual Report
 Wastewater Flows
 12/31/18

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	1,041	3,319,953	135,603	\$2,644	24,300
February	1,050	3,155,178	133,109	2,780	25,555
March	1,046	3,324,500	135,844	2,672	24,561
April	1,041	2,429,599	134,128	3,101	28,513
May	1,024	2,061,121	102,839	2,542	23,366
June	1,018	1,834,088	117,251	2,310	22,526
July	1,011	2,500,134	174,049	2,604	22,645
August	1,009	2,089,113	104,994	2,556	23,489
September	1,009	2,786,668	145,975	3,206	28,920
October	1,024	4,134,170	277,885	2,652	23,909
November	1,046	3,117,287	157,901	2,567	23,139
December	1,034	3,582,993	146,806	2,201	21,052
	Totals	34,334,804	1,766,384	\$31,835	291,975

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Evaporation Ponds
Groundwater Permit Number	None
ADEQ Aquifer Protection Permit ("APP") Number	P-101687
ADEQ Reuse Permit Number	None
EPA NPDES Permit Number	None
APP Effluent Treatment Requirement (Class)?	None
Permitted Flow Rate	NA
Permitted Organic Capacity	NA
Hydraulic Capacity	NA
Type of Biological Treatment	N/A

In the space below, list all violations within the past 12 months:

None

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 relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Ajo Improvement Company
Annual Report
Property Taxes
12/31/18

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2018 was	\$33,901

If no property taxes paid, explain why. N/A
--

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.

Ajo Improvement Company
Annual Report
Verification and Sworn Statement (Taxes)
12/31/18

Verification and Sworn Statement (Taxes)

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

RECEIVED

County of (county name): Pima
Name (owner or official) title: Roy Archer, President
Company name: Ajo Improvement Company

APR 05 2019

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: 12/31/18

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]
signature of owner/official

520)387-2010
telephone no.

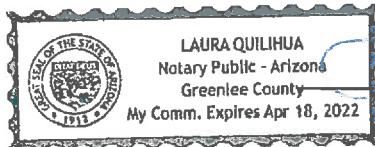
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

State of Arizona

Greenlee
(county name)

THIS 4TH DAY OF April 2019
(month) and (year)

MY COMMISSION EXPIRES April 18, 2022
(date)



[Signature]
(signature of notary public)

Revised

RECEIVED

APR 11 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement

Verification:

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

County of (county name): Pima
Name (owner or official) title: Roy Archer, President

Company name: Ajo Improvement Company

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

FOR THE YEAR ENDING: 12/31/18

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.

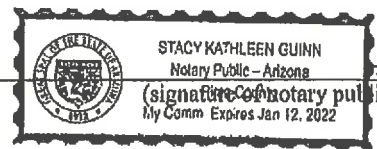
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREBY REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$248,267
(The amount in the box above includes
\$14,274 in sales taxes
billed or collected)

Roy Archer
signature of owner/official
520)387-2010
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima County
(county name)
THIS 10th DAY OF April 2019
(month) and (year)

MY COMMISSION EXPIRES 1/12/2022
(date)



Stacy Kathleen Guinn
signature of notary public

Revised

Ajo Improvement Company
Annual Report
Verification and Sworn Statement (Residential Revenue)
12/31/18

Verification and Sworn Statement (Residential Revenue)

RECEIVED

Verification:

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

APR 11 2019

County of (county name): Pima
Name (owner or official) title: Roy Archer, President
Company name: Ajo Improvement Company

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: 12/31/18

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 HERELIN 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 (\$)

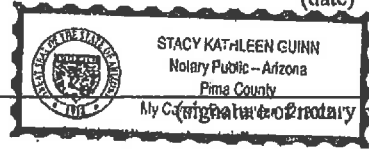
\$185,633
(The amount in the box above includes
\$10,673 in sales taxes
billed or collected)

Roy Archer
signature of owner/official
520)387-2010
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima
(county name)

THIS 10th DAY OF April 2019
(month) and (year)

MY COMMISSION EXPIRES 1/12/2022
(date)



Stacy Kathleen Guinn
My Commission Expires 1/12/2022
My Commission Expires (date)

Renee De La Fuente

From: Renee De La Fuente
Sent: Friday, April 05, 2019 8:58 AM
To: Taylor, Heather
Subject: RE: Ajo Improvement Company - Wastewater Annual Report 2018

Heather,

While entering the information on the wastewater V&S, I noticed that you have more revenues listed in the Residential (\$248,267) while ACC is lower (\$185,633). That should be reversed correct? As RUCO revs should never be more than ACC revs.

Thank you.

Renee de la Fuente

Administrative Support Specialist
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007
(602) 364-0706 (office)
rdelafuente@azcc.gov
www.azcc.gov



ARIZONA CORPORATION COMMISSION
Powering Arizona's Future

From: Taylor, Heather <htaylor@fmi.com>
Sent: Friday, April 05, 2019 8:24 AM
To: Renee De La Fuente <RDeLaFuente@azcc.gov>
Cc: Archer, Roy <rarcher@fmi.com>; Patten, Michael <mpatten@swlaw.com>
Subject: Ajo Improvement Company - Wastewater Annual Report 2018

Good Morning Renee,

Attached is the Ajo Improvement Company - Wastewater Annual Report 2018. Please let me know if you have any questions or if we need to mail as well?

Thanks

Heather Taylor



FREEPORT-McMORAN

Accounting Morenci Water & Electric
401 Burro Alley Morenci, AZ 85540
Office: 928.865.7383 | **Cell:** 928.215.9672
Email: htaylor@fmi.com

Verification and Sworn Statement

Verification:

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

County of (county name): Pima
Name (owner or official) title: Roy Archer, President
Company name: Ajo Improvement Company

RECEIVED

APR 05 2019

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: 12/31/18

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 (\$)

\$185,633

(The amount in the box above includes

\$10,673 in sales taxes
billed or collected)

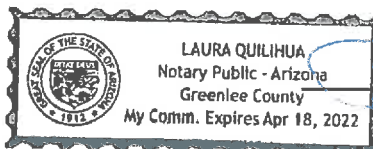
[Signature]
signature of owner/official

520)387-2010
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY State of Arizona
Greenlee
(county name)

THIS 4TH DAY OF April 2019
(month) and (year)

MY COMMISSION EXPIRES April 18, 2022
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Pima
Name (owner or official) title: Roy Archer, President
Company name: Ajo Improvement Company

RECEIVED

APR 05 2019

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: 12/31/18

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 (\$)

\$248,267

(The amount in the box above includes

\$14,274 in sales taxes
billed or collected)

[Signature]
signature of owner/official

520)387-2010
telephone no.

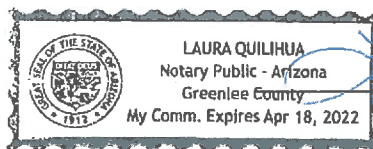
State of Arizona

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

Greenlee
(county name)

THIS 4TH DAY OF April 2019
(month) and (year)

MY COMMISSION EXPIRES April 18, 2022
(date)



[Signature]
(signature of notary public)

Company Name: Ajo Improvement Company
Docket No.: WS-01025A

Name of System: Ajo Improvement Company
Wastewater Inventory Number (if applicable): 10-001

2018 Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.C	Other
January		0	
February		7	
March		6	
April		19	
May		11	
June		7	
July		7	
August		4	
September		6	
October		6	
November		17	
December		9	
Total	0	99	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.