

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

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

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

Application Type: Original Filing
Application Date: 4/2/2019

4-5-19

ARIZONA CORPORATION COMMISSION
WATER 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 (Water)
12/31/18

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$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	\$0	0	0	0	0	0
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	\$0	0	0	0	0	0
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	\$0	0	0	0	0	0
320	Water Treatment Equipment	455,606	0	0	455,606	115,892	339,715
320.1	Water Treatment Plants	562,945	0	0	562,945	122,990	439,955
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	25,779	0	0	25,779	25,779	0
330.1	Storage Tanks	1,620,573	0	0	1,620,573	354,721	1,265,852
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	16,570,089	0	0	16,570,089	4,994,040	11,576,050
333	Services	1,090,752	0	0	1,090,752	186,867	903,886
334	Meters and Meter Installations	1,024,684	0	0	1,024,684	615,742	408,941
335	Hydrants	507,700	0	0	507,700	74,091	433,610
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	21,522	0	0	21,522	2,631	18,892
340	Office Furniture and Equipment	4,713	0	0	4,713	4,713	0
340.1	Computer & Software	6,225	0	0	6,225	6,225	0
341	Transportation Equipment	359,242	0	0	359,242	300,809	58,433
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	410,570	0	0	410,570	68,317	342,253
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	3,352	0	0	3,352	754	2,598
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	25,929	0	0	25,929	25,126	803
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$22,689,682	\$0	\$0	\$22,689,682	\$6,898,694	\$15,790,988

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 (Water)
12/31/18

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	\$0	0.00%	0
303	Land and Land Rights	0	0	0	0	\$0	0.00%	0
304	Structures and Improvements	0	0	0	0	\$0	0.00%	0
305	Collecting & Improving Reservoirs	0	0	0	0	\$0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	\$0	0.00%	0
307	Wells and Springs	0	0	0	0	\$0	0.00%	0
308	Infiltration Galleries	0	0	0	0	\$0	0.00%	0
309	Supply Mains	0	0	0	0	\$0	0.00%	0
310	Power Generation Equipment	0	0	0	0	\$0	0.00%	0
311	Pumping Equipment	0	0	0	0	\$0	0.00%	0
320	Water Treatment Equipment	455,606	0	0	455,606	115,892	8.53%	28,973
320.1	Water Treatment Plants	562,945	0	0	562,945	122,990	6.99%	30,748
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	25,779	0	0	25,779	25,779	0.00%	0
330.1	Storage Tanks	1,620,573	0	0	1,620,573	354,721	5.58%	70,607
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	16,570,089	0	0	16,570,089	4,994,040	9.34%	1,080,930
333	Services	1,090,752	0	0	1,090,752	186,867	8.04%	72,717
334	Meters and Meter Installations	1,024,684	0	0	1,024,684	615,742	39.96%	163,407
335	Hydrants	507,700	0	0	507,700	74,091	4.68%	20,308
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	21,522	0	0	21,522	2,631	13.92%	2,631
340	Office Furniture and Equipment	4,713	0	0	4,713	4,713	0.00%	0
340.1	Computer & Software	6,225	0	0	6,225	6,225	0.00%	0
341	Transportation Equipment	359,242	0	0	359,242	300,809	51.13%	29,875
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	410,570	0	0	410,570	68,317	5.05%	17,268
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	3,352	0	0	3,352	754	12.90%	335
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	25,929	0	0	25,929	25,126	13.79%	111
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$22,689,682	\$0	\$0	\$22,689,682	\$6,898,695		\$1,517,909

Contribution(s) in Aid of Construction (Gross)	\$394,940
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	37,362
Amortizable Contribution(s)	\$357,578
Times: Proposed Amortization Rate	9.61%
Amortization of CIAC	\$34,372

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
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		46,765	43,084
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		8,039	3,117
162	Prepayments		51,925	53,017
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$135,747	\$772,961
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$22,689,682	\$22,689,682
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(5,380,781)	(6,898,694)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$17,308,901	\$15,790,988
	Total Assets		\$17,444,648	\$16,563,948

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 AR3 UPIS Page 3

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		\$7,761	\$7,399
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		3,118,682	2,908,933
235	Customer Deposits		0	0
236	Accrued Taxes		2,550	22,185
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$3,128,993	\$2,938,517
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		394,940	394,940
255	Accumulated Deferred Investment Tax Credits		(27,173)	(37,262)
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$367,767	\$357,678
	Total Liabilites		\$3,496,760	\$3,296,195
	Capital Accounts			
201	Common Stock Issued		\$392,000	\$392,000
211	Other Paid-In Capital		24,275,043	24,275,043
215	Retained Earnings		(10,719,155)	(11,399,290)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$13,947,888	\$13,267,753
	Total Liabilities and Capital		\$17,444,648	\$16,563,948

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!

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

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$533,499	\$518,788
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	Total Revenues	\$533,499	\$518,788
	Operating Expenses		
601	Salaries and Wages	\$431,297	\$405,444
604	Employee Pensions and Benefits	97,664	125,853
610	Purchased Water	152,968	172,510
615	Purchased Power	0	0
618	Chemicals	159,506	107,615
620	Materials and Supplies	5,706	0
620.1	Repairs and Maintenance	12,245	6,645
620.2	Office Supplies and Expense	37,297	50,917
630	Contractual Services	88,941	79,292
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	26,064	13,082
633	Contractual Services - Legal	18,745	8,745
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	0	0
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	52,525	51,415
642	Rental of Equipment	0	0
650	Transportation Expenses	11,679	13,273
657	Insurance - General Liability	2,236	2,452
657.1	Insurance - Health and Life	86,981	82,896
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	3,472	3,509
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	1,483,537	739,607
408	Taxes Other Than Income	0	0
408.11	Property Taxes	39,532	7,210
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$2,710,394	\$1,870,465
	Operating Income / (Loss)	(\$2,176,895)	(\$1,351,677)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$2,176,895)	(\$1,351,677)

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.

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
Meter reader	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0
Accounting	2.0	0.0	2.0
Business Office	0.0	0.0	0.0
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

<p>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.</p>

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	NA	NA	NA	NA
ACC Decision No.	NA	NA	NA	NA
Reason for Loan	NA	NA	NA	NA
Dollar Amt. Issued	0	0	0	0
Amount Outstanding	\$0	\$0	\$0	\$0
Date of Maturity	NA	NA	NA	NA
Interest Rate	0.00%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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<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>
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Ajo Improvement Company
 Annual Report
 Well and Water Usage
 12/31/18

Well and Water Usage										
Name of the System:		FREEPORT MCMORAN COPPER AND GOLD, INC. - AJO IMPR*								
ADEQ Public Water System Number:		AZ0410001								
ADWR PCC Number:		91-000410.0000								
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Meter Size (inches)	Flow measured:	Active	
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0

Name of system water delivered to:	AZ WATER CO - AJO WATER SYSTEM
ADWR PCC Number:	91-000412.0000
Source of water delivered to another system	Ground Water
Name of system water received from:	
ADWR PCC Number:	
Source of water received	Ground Water
Well registry 55# (55-XXXXXX):	55-600488, 55600490

Month	Water withdrawn (acre ft) ¹	Water sold (acre ft) ²	Water delivered (sold) to other systems (acre ft) ³	Water received (purchased) from other systems (acre ft) ⁴	Estimated authorized use (acre ft) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	34	25	11	0	34	\$127	1,065
February	27	30	11	0	27	150	1,277
March	24	30	11	0	24	128	1,079
April	50	42	16	0	50	158	1,350
May	40	38	13	0	40	136	1,151
June	38	42	14	0	38	150	1,355
July	37	38	15	0	37	150	1,201
August	39	37	12	0	39	174	1,502
September	46	44	15	0	46	183	1,553
October	25	26	9	0	25	117	960
November	40	39	15	0	40	163	1,372
December	36	34	11	0	36	122	1,065
Totals	436	425	153	0	436	\$1,756	14,930

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

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.

1 Water withdrawn - Total acre feet of water withdrawn from pumped sources.
 2 Water sold - Total acre feet from customer meters, and other sales such as construction water.
 3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.
 4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.
 5 Estimated authorized use - Total estimated acre feet from authorized metered or un-metered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
 6 Enter the total purchased power costs for the power meters associated with this system.
 7 Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description

Name of the System:	FREEPORT MCMORAN COPPER AND GOLD, INC. - AJO IMPR*	
ADEQ Public Water System Number:	AZ0410001	
ADWR PCC Number:	91-000410.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	Ductile Iron	634
6.00	Ductile Iron	43,392
8.00	Ductile Iron	35,852
10.00	Ductile Iron	4,762
12.00	Ductile Iron	3,503
6.00	Stainless Steel	120
8.00	Stainless Steel	65
10.00	Stainless Steel	645
12.00	Stainless Steel	8
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0

CUSTOMER METERS	
Size (inches)	Quantity
5/8 X 3/4	1,004
1	26
1.5	4
2	16
3	4
4	3
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0

SERVICE LINES	
Material	Percent of system
Copper	100%
NA	0%
NA	0%
NA	0%
NA	0%

BOOSTER PUMPS		
Horsepower	GPM	Quantity
0	0	0
0	0	0
0	0	0
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard *	156
Other	0

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
500,000	Steel	2
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	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. Copy and paste this sheet as many times as is necessary.

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	Two filter vessels using Activated Alumina as a filter medium. 8' diameter x 13' high.
STRUCTURES:	One water treatment plant building 110' x 40'.
OTHER:	None

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.

Customer and Other Information	
Name of the System:	FREEPORT MCMORAN COPPER AND GOLD, INC. - AJO IMPR*
ADEQ Public Water System Number:	AZ0410001
ADWR PCC Number:	91-000410.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	926	0	136	0	0
February	934	0	137	0	0
March	933	0	138	0	0
April	924	0	142	0	0
May	908	0	140	0	0
June	900	0	143	0	0
July	894	0	143	0	0
August	892	0	142	0	0
September	890	0	144	0	0
October	907	0	144	0	0
November	926	0	147	0	0
December	917	0	143	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

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.

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

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2018 was	\$39,532

If no property taxes paid, explain why.
NA

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

Verification and Sworn Statement (Taxes)

RECEIVED

APR 05 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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: 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.

State of Arizona

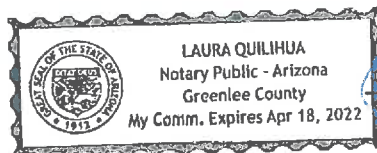
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Greenlee
(county name)

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

MY COMMISSION EXPIRES

April 18, 2022
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement

RECEIVED

APR 05 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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 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 (\$)

\$566,043

(The amount in the box above includes

\$32,543 in sales taxes billed or collected)

[Signature]
signature of owner/official
520-387-2010
telephone no.

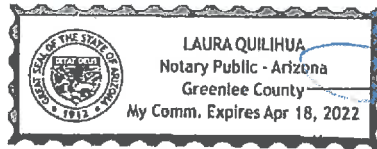
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

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 (\$)
\$276,298
(The amount in the box above includes
\$15,885 in sales taxes
billed or collected)

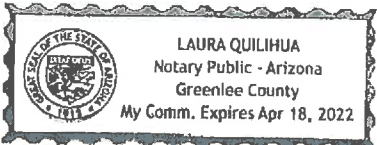
[Signature]
signature of owner/official

520-387-2010
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY 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	Ajo Improvement Company	
Docket No.:	WS-01025A	
Name of the System:		
ADEQ Public Water System Number:		
ADWR PCC Number:		

2018 Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.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):

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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.

RECEIVED

JUN 13 2019

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE