

ANNUAL REPORT

Of

Company Name: Liberty Utilities (Rio Rico Water and Sewer) Corp
12725 W. Indian School Rd., Ste. D101

Mailing Address: Avondale AZ
85392

Docket No.: WS-02676A
For the Year Ended: 12/31/17

RECEIVED
JUN 08 2018
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:
Application Date:

Original Filing
6/7/218

6-11-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Liberty Utilities (Rio Rico Water and Sewer) Corp
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:

Liberty Utilities (Rio Rico Water and Sewer) Corp
 Annual Report
 Utility Plant in Service (Water)
 12/31/17

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	417	0	0	417	0	417
303	Land and Land Rights	45,975	(7)	0	45,968	0	45,968
304	Structures and Improvements	3,319,713	(138,321)	3,131	3,178,261	1,465,459	1,712,802
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	464,558	85,328	73	549,813	298,763	251,050
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	272,500	(6,264)	0	266,236	62,721	203,515
310	Power Generation Equipment	218,988	(1,793)	0	217,195	165,942	51,253
311	Pumping Equipment	2,002,165	373,692	53,420	2,322,437	1,140,416	1,182,021
320	Water Treatment Equipment	377,079	(373,460)	2,505	1,114	(2,566)	3,680
320.1	Water Treatment Plants	39,033	331,055	0	370,088	252,916	117,172
320.2	Solution Chemical Feeders	5,409	44,922	0	50,331	14,932	35,398
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	759,320	(759,320)	0	(0)	0	(0)
330.1	Storage Tanks	1,066	689,686	0	690,752	305,938	384,814
330.2	Pressure Tanks	144	69,634	0	69,778	69,660	118
331	Transmission and Distribution Mains	22,849,025	383,983	16,173	23,216,835	12,184,169	11,032,666
333	Services	3,592,218	1,253,493	268,779	4,576,932	384,336	4,192,596
334	Meters and Meter Installations	1,688,309	67,891	29,418	1,726,782	953,141	773,641
335	Hydrants	633,380	2,433	42	635,771	271,769	364,002
336	Backflow Prevention Devices	10,198	5,657	0	15,855	3,696	12,159
339	Other Plant and Misc. Equipment	145,475	(21,320)	0	124,155	85,671	38,484
340	Office Furniture and Equipment	102,067	(80,776)	0	21,291	13,790	7,501
340.1	Computer & Software	101,153	84,667	1,894	183,925	66,766	117,160
341	Transportation Equipment	141,868	21,177	0	163,045	151,479	11,567
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	94,741	10,410	0	105,151	19,167	85,984
344	Laboratory Equipment	3,061	0	0	3,061	3,061	(1)
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	194,382	82,934	0	277,315	298,128	(20,813)
347	Miscellaneous Equipment	0	5,427	0	5,427	(8,127)	13,554
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$37,062,243	\$2,131,128	\$375,437	\$38,817,933	\$18,201,225	\$20,616,709

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.

Liberty Utilities (Rio Rico Water and Sewer) Corp
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/17

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	417	0	0	417	0	0.00%	0
303	Land and Land Rights	45,975	(7)	0	45,968	0	0.00%	0
304	Structures and Improvements	3,319,713	(138,321)	3,131	3,178,261	0	3.33%	106,713
305	Collecting & Improving Reservoirs	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	2.50%	0
307	Wells and Springs	464,558	85,328	73	549,813	0	3.33%	20,910
308	Infiltration Galleries	0	0	0	0	0	6.67%	0
309	Supply Mains	272,500	(6,264)	0	266,236	2	2.00%	5,325
310	Power Generation Equipment	218,988	(1,793)	0	217,195	0	5.00%	10,860
311	Pumping Equipment	2,002,165	373,692	53,420	2,322,437	796,307	12.50%	257,500
320	Water Treatment Equipment	377,079	(373,460)	2,505	1,114	0	-	2,360
320.1	Water Treatment Plants	39,033	331,055	0	370,088	0	3.33%	9,786
320.2	Solution Chemical Feeders	5,409	44,922	0	50,331	0	20.00%	9,827
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	759,320	(759,320)	0	(0)	0	-	(321,914)
330.1	Storage Tanks	1,066	689,686	0	690,752	0	2.22%	24
330.2	Pressure Tanks	144	69,634	0	69,778	0	5.00%	7
331	Transmission and Distribution Mains	22,849,025	383,983	16,173	23,216,835	1	2.00%	473,276
333	Services	3,592,218	1,253,493	268,779	4,576,932	0	3.33%	154,173
334	Meters and Meter Installations	1,688,309	67,891	29,418	1,726,782	453,205	8.33%	111,567
335	Hydrants	633,380	2,433	42	635,771	0	2.00%	12,718
336	Backflow Prevention Devices	10,198	5,657	0	15,855	0	6.67%	1,389
339	Other Plant and Misc. Equipment	145,475	(21,320)	0	124,155	377	6.67%	9,732
340	Office Furniture and Equipment	102,067	(80,776)	0	21,291	9,577	6.67%	781
340.1	Computer & Software	101,153	84,667	1,894	183,925	100,013	20.00%	51,039
341	Transportation Equipment	141,868	21,177	0	163,045	137,067	20.00%	4,595
342	Stores Equipment	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	94,741	10,410	0	105,151	125	5.00%	5,375
344	Laboratory Equipment	3,061	0	0	3,061	3,061	10.00%	0
345	Power Operated Equipment	0	0	0	0	0	5.00%	0
346	Communication Equipment	194,382	82,934	0	277,315	0	10.00%	23,400
347	Miscellaneous Equipment	0	5,427	0	5,427	0	10.00%	1,628
348	Other Tangible Plant	0	0	0	0	0	10.00%	0
	Subtotal	\$37,062,243	\$2,131,128	\$375,437	\$38,817,933	\$1,499,735		\$951,072

Contribution(s) in Aid of Construction (Gross) \$20,269,284
 Less: Non Amortizable Contribution(s) 0
 Fully Amortized Contribution(s) 0
 Amortizable Contribution(s) \$20,269,284
 Times: Proposed Amortization Rate 2.55%
Amortization of CIAC 1492425.4

Less: Amortization of CIAC 1492425.4

DEPRECIATION EXPENSE (\$541,353)

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.

Liberty Utilities (Rio Rico Water and Sewer) Corp
 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		\$11,748	\$37,709
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		207,088	276,627
143	Accumulated Provision for Uncollectable Accounts		0	(649)
146	Notes Receivable from Associated Companies		0	896,498
151	Plant Material and Supplies		0	0
162	Prepayments		1,414	1,698
174	Miscellaneous Current and Accrued Assets		0	511,868
	Total Current and Accrued Assets		\$220,250	\$1,723,750
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$27,759
186.2	Other Deferred Debits		0	81,925
	Total Deferred Debits		\$0	\$109,684
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$38,132,529	\$38,817,933
103	Property Held for Future Use		0	0
105	Construction Work in Progress		851,843	1,022,322
108	Accumulated Depreciation (enter as negative)*		(17,593,933)	(18,201,225)
121	Non-Utility Property		836,526	1,176,671
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$22,226,966	\$22,815,702
	Total Assets		\$22,447,216	\$24,649,137

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

Liberty Utilities (Rio Rico Water and Sewer) Corp
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		(\$5)	(\$51)
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		71,672	0
235	Customer Deposits		0	360,038
236	Accrued Taxes		3,651	12,265
237	Accrued Interest		16,683	16,519
242	Miscellaneous Current and Accrued Liabilities		404,692	1,272,557
	Total Current Liabilities		\$496,693	\$1,661,328
	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		1,310,296	1,214,338
253	Other Deferred Credits		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		20,227,917	20,269,284
272	Less: Amortization of Contributions		(11,519,051)	(12,286,033)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$10,019,162	\$9,197,589
	Total Liabilities		\$10,515,855	\$10,858,916
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		10,902,085	7,382,880
215	Retained Earnings		1,029,276	6,407,340
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$11,931,361	\$13,790,220
	Total Liabilities and Capital		\$22,447,216	\$24,649,137

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!

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
Water Comparative Income Statement
12/31/17

Water 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		
461	Metered Water Revenue	\$4,093,833	\$1,542,470
460	Unmetered Water Revenue	\$0	\$1,679,236
462	Fire Protection Revenue	1,986	1,374
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	74,826	41,203
420	AFUDC Revenue	0	0
	Total Revenues	\$4,170,644	\$3,264,283
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	33,945	41,110
615	Purchased Power	361,245	371,274
616	Fuel for Power Production	0	0
618	Chemicals	13,223	13,866
620	Materials and Supplies	36,771	21,901
620.1	Repairs and Maintenance	0	0
620.2	Office Supplies and Expense	70,101	66,234
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	9,438
632	Contractual Services - Accounting	26,970	(187)
633	Contractual Services - Legal	803	0
634	Contractual Services - Management Fees	789,254	751,120
635	Contractual Services - Water Testing	8,745	40,605
636	Contractual Services - Other	528,353	539,505
635	Water Testing	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	108
642	Rental of Equipment	7,948	9,117
650	Transportation Expenses	51,176	49,527
657	Insurance - General Liability	26,763	22,288
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	175	77,778
667	Regulatory Commission Expense - Other	975,028	1,041,615
675	Miscellaneous Expense	117,737	116,650
403	Depreciation Expense (From Schedule AR4)	(541,353)	(541,353)
408	Taxes Other Than Income	0	0
408.11	Property Taxes	180,834	173,426
409	Income Taxes	0	0
	Total Operating Expenses	\$2,687,717	\$2,804,020
	Operating Income / (Loss)	\$1,482,927	\$460,262
	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)	(12,678)	(11,660)
	Total Other Income / (Expense)	(\$12,678)	(\$11,660)
	Net Income / (Loss)	\$1,470,249	\$448,603

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:	\$333,065
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Meter Deposits Refunded During the Test Year:	\$24,828
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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.

Water Utility Plant Description

Name of the System: Liberty Utilities (Rio Rico Water and Sewer) Corp
 ADEQ Public Water System Number: 12011

WELLS

ADWR ID No *	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Meter Size (inches)	Year Drilled	Arsenic Level (mg/L)
55-502579	200	1,100	650	16	turbine	8	1983	<10 ppb
55-619359	75	625	250	10	submersible	6	1985	<10ppb
55-604302	20	0	unk	16	none	2	1972	Not in svc
55-604364	75	625	251	10	submersible	6	1968	<10ppb
55-604363	75	650	603	12	submersible	8	1970	<10ppb
55-604366	20	0	unk	10	nonr	2	1967	Not in svc
55-587292	200	975	605	16	turbine	10	2003	<10ppb
55-206176	250	1,300	650	16	turbine	10	2005	<10ppb

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS

Horsepower	GPM	Quantity
3	various	2
7.5	various	9
10	various	3
15	various	10
20	various	8
25	various	13
30	various	8
40	various	2

FIRE HYDRANTS

Type	Quantity
Standard ***	315
Other	0

STORAGE TANKS

Capacity	Material	Quantity
1,000,000	Steel	1
640,000	Steel	1
200,000	Steel	1
150,000	Steel	1
100,000	Steel	1
10,000	Steel	4

PRESSURE/BLADDER TANKS

Capacity	Quantity
5,000	16
2,000	9
1,500	3
132	2
90	1
53	1
34	4

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.

* Arizona Department of Water Resources ("ADWR") well identification number. For example 55-XXXXXXX.

** Pump motor type, turbine or submersible.

*** 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)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
Unknown	ACP/DIP/PVC	13,153	5/8 X 3/4	6,566
1	ACP/DIP/PVC	0	3/4	10
2	ACP/DIP/PVC	0	1	12
3	ACP/DIP/PVC	0	1 1/2	17
4	ACP/DIP/PVC	467,444	Compound 2	44
6	ACP/DIP/PVC	885,324	Turbine 2	0
8	ACP/DIP/PVC	217,202	Compound 3	24
10	ACP/DIP/PVC	1,144	Turbine 3	0
12	ACP/DIP/PVC	312,768	Compound 4	4
16	ACP/DIP/PVC	96,443	Turbine 5	0
18	ACP/DIP/PVC	0	Compound 6	1
			Turbine 6	0
			6+	0

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

TREATMENT EQUIPMENT:	(6) Liquid bleach chlorination systems.
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STRUCTURES:	2- 20'x20' storage sheds, 6 - 8'x8' chlorination buildings (at well sites)
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OTHER:	None
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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.

Water Use Data Sheet					
Name of the System:		Liberty Utilities (Rio Rico Water and Sewer)			
ADEQ Public Water System Number:		12011			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	6,624	45,565	46,268	0	519
February	6,636	41,748	45,440	0	521
March	6,651	45,019	55,404	0	455
April	6,652	53,515	56,630	0	608
May	6,673	58,006	62,642	0	843
June	6,676	64,205	72,460	0	1,378
July	6,662	73,943	59,276	0	628
August	6,680	55,316	55,370	0	580
September	6,654	52,955	58,844	0	782
October	6,679	57,701	59,408	0	557
November	6,673	53,522	50,959	0	576
December	6,677	48,765	48,227	0	569
Totals		650,260	670,928	0	8,016

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

Does the system have chlorination treatment?

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

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

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 Gallons sold - Total gallons from customer meters.
- 2 Gallons pumped - Total gallons from pumped sources.
- 3 Gallons purchased - Total gallons purchased from other sources.
- 4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

Liberty Utilities (Rio Rico Water and Sewer) Corp
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	12011
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	48	0
February	0	54	0
March	0	49	0
April	0	71	0
May	0	48	0
June	0	74	0
July	0	93	0
August	0	121	0
September	0	168	0
October	0	146	0
November	0	145	0
December	0	151	0
Total	0	1,168	0

Other (description):

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.

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
Property Taxes
12/31/17

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2016 was	\$181,914

If no property taxes paid, explain why.

None

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 Statement (Taxes)

RECEIVED

JUN 08 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Santa Cruz
Name (owner or official) title: Matthew Garlick, President
Company name: Liberty Utilities (Rio Rico Water and Sewer) Corp

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.

Matthew Garlick

signature of owner/official

623-935-9367

telephone no.

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

THIS

7th

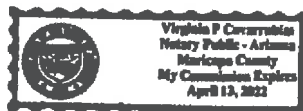
DAY OF

Maricopa
(county name)

June 2018
(month) and (year)

MY COMMISSION EXPIRES

April 13, 2022
(date)



Virginia P. Covarrubias
(signature of notary public)

Verification and Statement

RECEIVED

Verification:

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

County of (county name): Santa Cruz

Name (owner or official) title: Matthew Garlick, President

Company name: Liberty Utilities (Rio Rico Water and Sewer) Corp

JUN 08 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 (\$)
\$4,170,644
(The amount in the box above includes
\$0 in sales taxes
billed or collected)

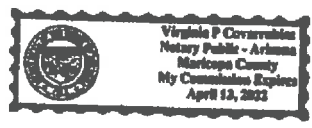
Matthew Garlick
signature of owner/official

623-935-9367
telephone no.

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

THIS 7th DAY OF Maricopa
June 2018
(month) and (year)

MY COMMISSION EXPIRES April 13, 2022
(date)



Virginia P. Covarrubias
(signature of notary public)

Verification and Statement (Residential Revenue)

RECEIVED

Verification:

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

County of (county name): Santa Cruz
Name (owner or official) title: Matthew Garlick, President
Company name: Liberty Utilities (Rio Rico Water and Sewer) Corp

JUN 08 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 (\$)

\$3,369,628

(The amount in the box above includes

\$0 in sales taxes
billed or collected)

Matthew Garlick
signature of owner/official

623-935-9367
telephone no.

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

Maricopa
(county name)

THIS 7th DAY OF June 2018
(month) and (year)

MY COMMISSION EXPIRES April 13, 2022
(date)



Virginia P. Covarrubias
(signature of notary public)