

RECEIVED

MAR 15 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

ANNUAL REPORT

Of

Company Name:
2200 E. River Rd., Ste. 115

Mailing Address: Tucson AZ
85718

Docket No.: WS-04245A
For the Year Ended:

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:

3-16-17

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Red Rock Utilities, LLC
A Class Utility

1. For the Calendar Year Ended: 12/31/16

2. Address:

2200 E. River Road, Ste 115			
City:	Tucson	State:	Arizona
		Zip Code:	85718

3. Telephone Number:

520-577-0200

4. Date of Original Organization of Utility:

7/31/2002

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

Name:

Mark Weinberg

Telephone No. :

520-577-0200

Address:

2200 E. River Road, Ste 115			
City:	Tucson	State:	Arizona
		Zip Code:	85718

Email:

mweinberg@diamondven.com

6. On-Site Manager:

Name:

Chris Hill

Telephone No. :

520-904-0741

Address:

2200 E. River Road, Ste 115			
City:	Tucson	State:	Arizona
		Zip Code:	85718

Email:

cwh2serv@msn.com

7. Ownership:

Limited Liability Company ("LLC")

8. Counties Served:

Multiple counties

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	\$54,297	\$0	\$0	\$54,297	\$0	\$54,297
302	Franchises	49,632	0	0	49,632	0	49,632
303	Land and Land Rights	32,810	0	0	32,810	0	32,810
304	Structures and Improvements	142,938	0	0	142,938	50,661	92,277
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	724,314	0	0	724,314	257,582	466,732
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	51,082	0	0	51,082	15,218	35,864
311	Pumping Equipment	119,750	0	0	119,750	119,750	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	587,784	53,986	0	641,770	183,503	458,267
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	0	0	0	0	0	0
330.1	Storage Tanks	943,566	0	0	943,566	216,199	727,367
330.2	Pressure Tanks	228,710	0	0	228,710	120,073	108,637
331	Transmission and Distribution Mains	2,347,013	0	0	2,347,013	408,636	1,938,377
333	Services	518,785	0	0	518,785	149,347	369,438
334	Meters and Meter Installations	174,092	9,674	0	183,766	108,849	74,917
335	Hydrants	208,018	0	0	208,018	36,132	171,886
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	651	0	0	651	415	236
340	Office Furniture and Equipment	5,752	0	0	5,752	3,695	2,057
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	8,224	0	0	8,224	8,224	0
342	Stores Equipment	3,836	0	0	3,836	1,458	2,378
343	Tools, Shop and Garage Equipment	11,546	0	0	11,546	2,586	8,960
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	18,224	0	0	18,224	8,656	9,568
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	16,074	0	0	16,074	4,248	11,826
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$6,247,098	\$63,660	\$0	\$6,310,758	\$1,695,232	\$4,615,526

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.

Red Rock Utilities, LLC
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/16

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	\$54,297	\$0	\$0	\$54,297	\$54,297	0.00%	\$0
302	Franchises	49,632	0	0	49,632	49,632	0.00%	0
303	Land and Land Rights	32,810	0	0	32,810	32,810	0.00%	0
304	Structures and Improvements	142,938	0	0	142,938	0	3.33%	4,760
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	724,314	0	0	724,314	0	3.33%	24,120
308	Infiltration Galleries	0	0	0	0	0	6.67%	0
309	Supply Mains	0	0	0	0	0	2.00%	0
310	Power Generation Equipment	51,082	0	0	51,082	0	5.00%	2,554
311	Pumping Equipment	119,750	0	0	119,750	119,750	12.50%	0
320	Water Treatment Equipment	0	0	0	0	0	-	0
320.1	Water Treatment Plants	587,784	53,986	0	641,770	0	3.33%	20,472
320.2	Solution Chemical Feeders	0	0	0	0	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	-	0
330.1	Storage Tanks	943,566	0	0	943,566	0	2.22%	20,947
330.2	Pressure Tanks	228,710	0	0	228,710	0	5.00%	11,436
331	Transmission and Distribution Mains	2,347,013	0	0	2,347,013	0	2.00%	46,940
333	Services	518,785	0	0	518,785	0	3.33%	17,276
334	Meters and Meter Installations	174,092	9,674	0	183,766	0	8.33%	14,905
335	Hydrants	208,018	0	0	208,018	0	2.00%	4,160
336	Backflow Prevention Devices	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	651	0	0	651	0	6.67%	43
340	Office Furniture and Equipment	5,752	0	0	5,752	0	6.67%	384
340.1	Computer & Software	0	0	0	0	0	20.00%	0
341	Transportation Equipment	8,224	0	0	8,224	8,224	20.00%	0
342	Stores Equipment	3,836	0	0	3,836	0	4.00%	153
343	Tools, Shop and Garage Equipment	11,546	0	0	11,546	0	5.00%	577
344	Laboratory Equipment	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	18,224	0	0	18,224	0	5.00%	911
346	Communication Equipment	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	16,074	0	0	16,074	0	10.00%	1,607
348	Other Tangible Plant	0	0	0	0	0	4.00%	0
	Subtotal	\$6,247,098	\$63,660	\$0	\$6,310,758	\$264,713		\$171,246

Contribution(s) in Aid of Construction (Gross)	233,715
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$233,715</u>
Times: Proposed Amortization Rate	2.83%
Amortization of CIAC	6619.64774

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.

Red Rock Utilities, LLC
 Annual Report
 Balance Sheet Assets
 12/31/16

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current and Accrued Assets			
131	Cash		\$31,913	\$33,860
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		17,977	40,960
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$49,890	\$74,820
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$6,247,098	\$6,310,758
103	Property Held for Future Use		742,381	742,381
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(1,523,986)	(1,695,232)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$5,465,493	\$5,357,907
	Total Assets		\$5,515,383	\$5,432,727

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

Red Rock Utilities, LLC
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current Liabilities			
231	Accounts Payable		\$106	\$106
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		154,373	161,092
236	Accrued Taxes		839	531
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$155,318	\$161,729
	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		3,505,513	3,444,728
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		233,715	233,715
272	Less: Amortization of Contributions		(34,417)	(41,037)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$3,704,811	\$3,637,406
	Total Liabilities		\$3,860,129	\$3,799,135
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		0	0
218	Proprietary Capital (Sole Props and Partnerships)		1,655,254	1,633,592
	Total Capital		\$1,655,254	\$1,633,592
	Total Liabilities and Capital		\$5,515,383	\$5,432,727

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!

Red Rock Utilities, LLC
Annual Report
Water Comparative Income Statement
12/31/16

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	Operating Revenue		
461	Metered Water Revenue	\$402,441	\$371,753
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	10,845	9,276
	Total Revenues	\$413,286	\$381,029
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	19,328	50,268
618	Chemicals	2,644	2,331
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	4,182	2,284
620.2	Office Supplies and Expense	1,046	982
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	27,081	23,356
633	Contractual Services - Legal	3,972	5,000
634	Contractual Services - Management Fees	68,000	68,000
635	Contractual Services - Water Testing	500	500
636	Contractual Services - Other	42,576	24,670
635	Water Testing	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	226
657	Insurance - General Liability	0	0
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	29,933
675	Miscellaneous Expense	4,229	8,345
403	Depreciation Expense (From Schedule AR4)	164,626	163,675
408	Taxes Other Than Income	24,798	22,545
408.11	Property Taxes	1,080	1,706
409	Income Taxes	0	0
	Total Operating Expenses	\$364,062	\$403,821
	Operating Income / (Loss)	\$49,224	(\$22,792)
	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)	\$49,224	(\$22,792)

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	0	0	0	0
ACC Decision No.	0	0	0	0
Reason for Loan	0	0	0	0
Dollar Amt. Issued	\$0	\$0	\$0	\$0
Amount Outstanding	\$0	\$0	\$0	\$0
Date of Maturity	None	None	None	None
Interest Rate	0.00%	100.00%	200.00%	300.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$100,812
---	-----------

Meter Deposits Refunded During the Test Year:	\$27,847
---	----------

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:	Red Rock Utilities, LLC
ADEQ Public Water System Number:	11-160

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)
55-599556	75	750	800	16"	Turbine	6"	2003	0
55-599557	75	750	900	16"	Turbine	6"	2003	0
None	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0
None	0	0	0	0	0	0	0	0

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	0	0
None	0	0

BOOSTER PUMPS

Horsepower	GPM	Quantity
7.5	100	1
20	200	1
50	600	2
None	0	0

FIRE HYDRANTS

Type	Quantity
Standard ***	64
Other	0

STORAGE TANKS

Capacity	Material	Quantity
900,000	Steel	1
0	0	0
0	0	0

PRESSURE/BLADDER TANKS

Capacity	Quantity
5,000	2
0	0
0	0

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.

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

** 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	
2	0	0	5/8 X 3/4	786	
3	0	0	3/4	0	
4	0	0	1	3	
5	0	0	1 1/2	0	
6	C900	142	Compound 2	3	
8	C900 PVC	28,247	Turbine 2	0	
10	0	0	Compound 3	1	
12	C900 PVC	12,980	Turbine 3	0	
6	Ductile (DIP)	2,130	Compound 4	0	
0	0	0	Turbine 5	0	
0	0	0	Compound 6	0	
0	0	0	Turbine 6	0	
0	0	0	6+	0	

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

TREATMENT EQUIPMENT:	Ion Exchange / Removal. Water treatment plant for Nitrate removal / remediation utilizing an ion exchange process at well #1
-----------------------------	--

STRUCTURES:	CL 2 Building
--------------------	---------------

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.

Water Use Data Sheet					
Name of the System:		Red Rock Utilities, LLC			
ADEQ Public Water System Number:		11-160			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	737	3,082	3,484	0	3,182
February	741	3,517	3,496	0	3,617
March	743	3,503	4,516	0	3,603
April	745	3,780	3,941	0	3,880
May	750	4,809	4,797	0	4,909
June	754	4,649	5,178	0	4,749
July	766	4,544	5,334	0	4,644
August	768	5,282	4,277	0	5,382
September	773	4,165	5,505	0	4,265
October	777	4,759	6,248	0	4,859
November	782	4,150	4,191	0	4,250
December	786	3,461	4,163	0	4,261
Totals		49,700	55,130	0	51,600

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:
 There has been some usage of the fire hydrants with usage throughout the year. In December 2016 an air release valve failed causing significant air in the water line, this issue resulted in approx. 700,000 gallons of flushing to correct.

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.

Red Rock Utilities, LLC
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

ADEQ System No. :	11-160
-------------------	--------

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	9	0
February	0	10	0
March	0	11	0
April	0	5	0
May	0	12	0
June	0	14	0
July	0	8	0
August	0	8	0
September	0	11	0
October	0	11	0
November	0	10	0
December	0	11	0
Total	0	120	0

Other (description):

None

<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.</p>
--

Red Rock Utilities, LLC
Annual Report
Property Taxes
12/31/16

Property Taxes	
----------------	--

Amount of actual property taxes paid during Calendar Year 2016 was	
--	--

\$1,387

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)

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

County of (county name): Pima
Name (owner or official) title: Mark Weinberg, Vice President Diamond Ventures, Inc
Company name: Red Rock Utilities, LLC

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

FOR THE YEAR ENDING: 12/31/16

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.

RECEIVED
MAR 15 2017
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

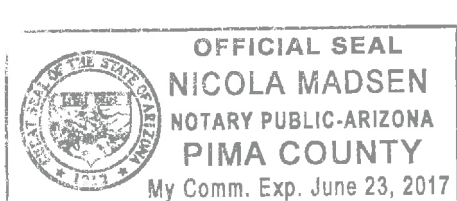
signature of owner/official

520-577-0200
telephone no.

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

THIS 9th DAY OF PIMA
(county name)
MARCH, 2017
(month) and (year)

MY COMMISSION EXPIRES 6/23/17
(date)



Nicola Madsen
(signature of notary public)

Verification and Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: Mark Weinberg, Vice President Diamond Ventures, Inc
Company name: Red Rock Utilities, LLC

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

FOR THE YEAR ENDING: 12/31/16

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:

RECEIVED
MAR 15 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

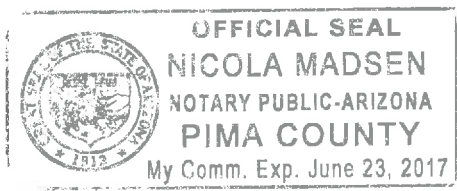
Arizona Intrastate Gross Operating Revenues Only (\$)
\$413,286
(The amount in the box above includes
\$24,798 in sales taxes
billed or collected)

[Signature]
signature of owner/official
520-577-0200
telephone no.

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

THIS 9th DAY OF PIMA
MARCH, 2017
(month) and (year)

MY COMMISSION EXPIRES 6/23/17
(date)



[Signature]
signature of notary public

Verification and Statement (Residential Revenue)

Verification:

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

County of (county name): Pima
Name (owner or official) title: Mark Weinberg, Vice President Diamond Venture
Company name: Red Rock Utilities, LLC

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

FOR THE YEAR ENDING: 12/31/16

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 (\$)

\$366,127

(The amount in the box above includes

\$21,968 in sales taxes
billed or collected)

RECEIVED
MAR 15 2017
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

signature of owner/official

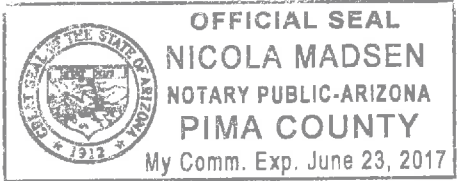
520-577-0200
telephone no.

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

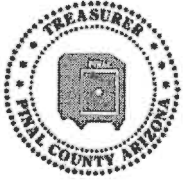
PIMA
(county name)

THIS 9th DAY OF MARCH, 2017
(month) and (year)

MY COMMISSION EXPIRES 6/23/17
(date)



Nicola Madsen
(signature of notary public)



Pinal County Treasurer

PO Box 729, Florence, AZ 85132-0729

Tax Receipt

Paid By: RED ROCK UTILITES LLC
2200 E RIVER RD STE 115
TUCSON, AZ 85718

Batch: 9283047
Payment Date: 4/25/2016
Interest Date: 4/25/2016
As Of Date: 2/16/2017

Receipt Total: \$179.77

Parcel Number T998196542			
2015	Paid	Due	Due By
Taxes Billed: \$359.54	Tax \$179.77	Full Year Tax \$0.00	
	Total \$179.77	Int/Fees \$0.00	
		Due \$0.00	
Parcel Payment: \$179.77		Total Due:	
Property Desc: STANDARD PACIFIC 12FT X 56FT SER# 12941259S17251 YEAR 1994			
Situs Address: 20794 E SASCO RD , RED ROCK, AZ 85145			

Make checks payable to: Pinal County Treasurer
PO Box 729
Florence, AZ 85132-0729

Pay online: <https://treasurer.pinalcountyyaz.gov/parcelinquiry>



Pinal County Treasurer

PO Box 729, Florence, AZ 85132-0729

Tax Receipt

Paid By: ATTN: ORACLE HIGHLANDS LLC
RED ROCK UTILITIES LLC
2200 E RIVER RD STE 115
TUCSON, AZ 85718

Batch: 9300423
Payment Date: 10/26/2016
Interest Date: 10/26/2016
As Of Date: 2/16/2017

Receipt Total: \$166.56

Parcel Number T998196542							
2016	Paid		Due			Due By	
Taxes Billed:	Tax	\$166.66	2nd Half	Tax	\$166.66		
\$333.32	Total	\$166.66		Int/Fees	\$0.00		
				Due	\$166.66	05/01/17	
Parcel Payment:		\$166.66	Total Due:				
Property Desc: STANDARD PACIFIC 12FT X 56FT SER# 12941259S17251 YEAR 1994							
Situs Address: 20794 E SASCO RD , RED ROCK, AZ 85145							

Make checks payable to: Pinal County Treasurer
PO Box 729
Florence, AZ 85132-0729

Pay online: <https://treasurer.pinalcountyz.gov/parcelinquiry>



Pinal County Treasurer

PO Box 729, Florence, AZ 85132-0729

Tax Receipt

Paid By: ATTN: ORACLE HIGHLANDS LLC
RED ROCK UTILITIES LLC
2200 E RIVER RD STE 115
TUCSON, AZ 85718

Batch: 9300423
Payment Date: 10/26/2016
Interest Date: 10/26/2016
As Of Date: 2/16/2017

Receipt Total: \$364.98

Parcel Number 41011001K1				
2016	Paid	Due		Due By
Taxes Billed: \$729.96	Tax	\$364.98	2nd Half Tax	\$364.98
	Total	\$364.98	Int/Fees	\$0.00
			Due	\$364.98 05/01/17
Parcel Payment:		\$364.98	Total Due:	
Property Desc: COMM @ NW COR SEC 8-10S-10E TH S 2654.75' TH N66DE 1574.19 TH N23DW 115' TO POB TH N23DE 115' TH N66DE 128.37' TH S23DE 115' TH S66DW 128.37' TO POB .34 AC				
Situs Address: 21032 E SASCO RD, RED ROCK, AZ 85145				

Make checks payable to: Pinal County Treasurer
PO Box 729
Florence, AZ 85132-0729

Pay online: <https://treasurer.pinalcountyz.gov/parcelinquiry>



Pinal County Treasurer

PO Box 729, Florence, AZ 85132-0729

Tax Receipt

Paid By: ATTN: ORACLE HIGHLANDS LLC
RED ROCK UTILITIES LLC
2200 E RIVER RD STE 115
TUCSON, AZ 85718

Batch: 9300423
Payment Date: 10/26/2016
Interest Date: 10/26/2016
As Of Date: 2/16/2017

Receipt Total: \$16.88

Parcel Number 41011001J9				
2016	Paid		Due	Due By
Taxes Billed: \$16.88	Tax	\$16.88	Full Year Tax	\$0.00
	Total	\$16.88	Int/Fees	\$0.00
			Due	\$0.00
Parcel Payment:		\$16.88	Total Due:	
Property Desc: COMM @ NW COR OF SEC 8-10S-10E TH S 2325.33' TO POB TH E 130' TH S52DE 61.55' TH S23DE 134.01' TH S66DW 252.83' TH N 260.77' TO POB .98 AC				
Situa Address: 20794 E SASCO RD, RED ROCK, AZ 85145				

Make checks payable to: Pinal County Treasurer
PO Box 729
Florence, AZ 85132-0729

Pay online: <https://treasurer.pinalcountyz.gov/parcelinquiry>



Pinal County Treasurer

PO Box 729, Florence, AZ 85132-0729

Tax Receipt

Paid By: RED ROCK UTILITIES LLC
2200 E RIVER RD STE 115
TUCSON, AZ 85718

Batch: 9283047
Payment Date: 4/25/2016
Interest Date: 4/25/2016
As Of Date: 2/16/2017

Receipt Total: \$554.82

Parcel Number 41011001K1			
2015	Paid	Due	Due By
Taxes Billed: \$1,109.64	Tax \$554.82	Full Year Tax \$0.00	
	Total \$554.82	Int/Fees \$0.00	
		Due \$0.00	
Parcel Payment: \$554.82		Total Due:	
Property Desc: COMM @ NW COR SEC 8-10S-10E TH S 2654.75' TH N66DE 1574.19 TH N23DW 115' TO POB TH N23DE 115' TH N66DE 128.37' TH S23DE 115' TH S66DW 128.37' TO POB .34 AC			
Situs Address: 21032 E SASCO RD, RED ROCK, AZ 85145			

Make checks payable to: Pinal County Treasurer
PO Box 729
Florence, AZ 85132-0729

Pay online: <https://treasurer.pinalcountyaz.gov/parcelinquiry>



Pinal County Treasurer

PO Box 729, Florence, AZ 85132-0729

Tax Receipt

Paid By: RED ROCK UTILITIES LLC
2200 E RIVER RD STE 115
TUCSON, AZ 85718

Batch: 9283047
Payment Date: 4/25/2016
Interest Date: 4/25/2016
As Of Date: 2/16/2017

Receipt Total: \$104.31

Parcel Number 41012001E4			
2015	Paid	Due	Due By
Taxes Billed: \$208.62	Tax \$104.31	Full Year Tax \$0.00	
	Total \$104.31	Int/Fees \$0.00	
		Due \$0.00	
Parcel Payment: \$104.31		Total Due:	
Property Desc: COM @ SW COR OF SEC 09-10S-10E TH N43D E-2447.84 TO POB TH CURVE TO LEFT W/RAD OF 767.50 AN ARC DIST OF 202.34 TH S88D E-200.00 TH S01D W-200.00 TH N88D W-226.52 TO POB AKA WELLSITE #3 BK-15 OF SURVEYS PG-095 41755 SQ FT .96 AC			
Situs Address: S AGUIRRE LN, RED ROCK, AZ 85145			

Make checks payable to: Pinal County Treasurer
PO Box 729
Florence, AZ 85132-0729

Pay online: <https://treasurer.pinalcountyyaz.gov/parcelinquiry>