

ANNUAL REPORT

Of

Company Name: Rio Verde Utilities, Inc.
25609 Danny Lane

Mailing Address: Rio Verde AZ
85263

Docket No.: WS-02156A
For the Year Ended: 12/31/17

RECEIVED
MAY 16 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: Original Filing
Application Date: 5/15/2018

5-25-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Rio Verde Utilities, Inc.
A Class Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

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

Name:
Telephone No.:
Address:
City: State: Zip Code:
Email:

6. On-Site Manager:

Name:
Telephone No.:
Address:
City: State: Zip Code:
Email:

7. Ownership:

8. Counties Served:

Utility Plant in Service (Water)

Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCI.D (OC less AD)
301	Organization	\$1,380	\$0	\$0	\$1,380	\$0	\$1,380
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	186,074	0	0	186,074	0	186,074
304	Structures and Improvements	79,054	0	0	79,054	36,188	42,866
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	2,583,586	0	0	2,583,586	1,525,859	1,057,727
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	55,241	86,630	0	141,871	35,368	106,503
311	Pumping Equipment	1,680,476	9,337	0	1,689,813	788,268	901,545
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	35,641	0	0	35,641	23,621	12,020
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	476,274	0	0	476,274	248,784	227,490
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	5,162,089	98,965	0	5,261,054	2,152,735	3,108,319
333	Services	559,605	31,362	0	590,967	272,722	318,245
334	Meters and Meter Installations	229,465	63,215	0	292,680	107,338	185,342
335	Hydrants	631,428	31,839	0	663,267	190,868	472,399
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	105,744	0	0	105,744	79,363	26,381
340	Office Furniture and Equipment	24,545	1,342	0	25,887	4,695	21,192
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	81,729	26,279	9,099	98,909	(12,631)	111,540
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	12,867	5,055	0	17,922	8,494	9,428
344	Laboratory Equipment	13,409	2,482	0	15,891	7,077	8,814
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	162,859	0	0	162,859	63,791	99,068
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	47,760	28,876	1,010	75,626	17,691	57,935
	Totals	\$12,129,226	\$385,382	\$10,109	\$12,504,499	\$5,550,232	\$6,954,267

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.

Rio Verde Utilities, Inc
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	\$1,380	\$0	\$0	\$1,380	\$1,380	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	186,074	0	0	186,074	186,074	0.00%	0
304	Structures and Improvements	79,054	0	0	79,054	0	3.33%	2,632
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	2,583,586	0	0	2,583,586	0	3.33%	86,033
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	55,241	86,630	0	141,871	0	5.00%	4,928
311	Pumping Equipment	1,680,476	9,337	0	1,689,813	0	5.00%	84,257
320	Water Treatment Equipment	0	0	0	0	0	3.33%	0
320.1	Water Treatment Plants	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	35,641	0	0	35,641	0	20.00%	7,128
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	20.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	2.22%	0
330.1	Storage Tanks	476,274	0	0	476,274	0	2.22%	10,573
330.2	Pressure Tanks	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	5,162,089	98,965	0	5,261,054	0	2.00%	104,231
333	Services	559,605	31,362	0	590,967	0	3.33%	19,157
334	Meters and Meter Installations	229,465	63,215	0	292,680	0	6.64%	17,335
335	Hydrants	631,428	31,839	0	663,267	0	2.00%	12,947
336	Backflow Prevention Devices	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	105,744	0	0	105,744	0	6.67%	7,053
340	Office Furniture and Equipment	24,545	1,342	0	25,887	0	6.67%	1,682
340.1	Computer & Software	0	0	0	0	0	20.00%	0
341	Transportation Equipment	81,729	26,279	9,099	98,909	0	20.00%	18,064
342	Stores Equipment	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	12,867	5,055	0	17,922	0	5.00%	770
344	Laboratory Equipment	13,409	2,482	0	15,891	0	10.00%	1,465
345	Power Operated Equipment	0	0	0	0	0	5.00%	0
346	Communication Equipment	162,859	0	0	162,859	0	10.00%	16,286
347	Miscellaneous Equipment	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	47,760	28,876	1,010	75,626	0	10.00%	6,169
	Subtotal	\$12,129,226	\$385,382	\$10,109	\$12,504,499	\$187,454		\$400,712

Contribution(s) in Aid of Construction (Gross)	\$1,766,924
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	38,776
Amortizable Contribution(s)	<u>\$1,728,148</u>
Times: Proposed Amortization Rate	3.25%
Amortization of CIAC	\$56,222
Less: Amortization of CIAC	<input type="text" value="\$56,222"/>
DEPRECIATION EXPENSE	<input type="text" value="\$344,490"/>

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.

Rio Verde Utilities, Inc.
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		\$545,002	\$433,973
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		86,919	113,033
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		4,184	3,834
162	Prepayments		21,895	31,070
174	Miscellaneous Current and Accrued Assets		481,015	394,037
	Total Current and Accrued Assets		\$1,139,015	\$975,947
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$12,129,226	\$12,504,499
103	Property Held for Future Use		0	0
105	Construction Work in Progress		11,643	11,643
108	Accumulated Depreciation (enter as negative)*		(5,152,522)	(5,550,232)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$6,988,347	\$6,965,910
	Total Assets		\$8,127,362	\$7,941,857

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 AR3 UPIS Page 3

Rio Verde Utilities, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
Account No.	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
	Current Liabilities			
231	Accounts Payable		\$87,850	\$26,555
232	Notes Payable (Current Portion)		92,365	96,086
234	Notes Payable to Associated Companies		30,191	30,326
235	Customer Deposits		0	0
236	Accrued Taxes		5,873	10,865
237	Accrued Interest		1,574	1,575
242	Miscellaneous Current and Accrued Liabilities		28,052	31,440
	Total Current Liabilities		\$245,905	\$196,847
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$402,868	\$313,044
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		1,213,471	1,420,051
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,686,375	1,766,924
272	Less: Amortization of Contributions		(937,337)	(990,532)
281	Accumulated Deferred Income Tax		611,821	443,393
	Total Deferred Credits		\$2,574,330	\$2,639,836
	Total Liabilities		\$3,223,103	\$3,149,727
	Capital Accounts			
201	Common Stock Issued		\$1,533,989	\$1,457,416
211	Other Paid-In Capital		0	0
215	Retained Earnings		3,370,270	3,334,714
218	Proprietary Capital (Sole Props and Partnerships)		0	
	Total Capital		\$4,904,259	\$4,792,130
	Total Liabilities and Capital		\$8,127,362	\$7,941,857

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!

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
461	Metered Water Revenue	\$1,731,253	\$1,542,885
460	Unmetered Water Revenue	6,058	5,858
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	35,000	35,000
	Total Revenues	\$1,772,311	\$1,583,743
	Operating Expenses		
601	Salaries and Wages	\$289,556	\$133,175
604	Employee Pensions and Benefits	0	0
610	Purchased Water	104,479	99,164
615	Purchased Power	277,431	285,056
618	Chemicals	11,017	19,974
620	Materials and Supplies	7,470	3,428
620.1	Repairs and Maintenance	108,369	73,003
620.2	Office Supplies and Expense	14,872	12,084
630	Contractual Services	5,851	8,607
631	Contractual Services - Engineering	0	11,040
632	Contractual Services - Accounting	9,552	97,580
633	Contractual Services - Legal	5,487	10,079
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	15,369	6,940
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	24,000	24,000
642	Rental of Equipment	4,493	4,711
650	Transportation Expenses	13,527	11,352
657	Insurance - General Liability	49,042	47,746
657.1	Insurance - Health and Life	53,262	20,773
665	Regulatory Commission Expense - Rate	8,914	0
670	Bad Debt Expense	171	443
675	Miscellaneous Expense	12,475	9,569
403	Depreciation Expense (From Schedule AR4)	344,490	295,004
408	Taxes Other Than Income	44,119	19,845
408.11	Property Taxes	41,875	43,641
409	Income Taxes	8,884	(9,469)
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$1,454,705	\$1,227,745
	Operating Income / (Loss)	\$317,606	\$355,998
	Other Income / (Expense)		
419	Interest and Dividend Income	\$382	(\$162)
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	(874)	0
427	Interest (Expense)	(15,095)	(17,156)
	Total Other Income / (Expense)	(\$15,587)	(\$17,318)
	Net Income / (Loss)	\$302,019	\$338,680

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	12/5/2001	none	none	none
Source of Loan	CoBank	none	none	none
ACC Decision No.	63585	none	none	none
Reason for Loan	Plant Expansion	none	none	none
Dollar Amt. Issued	\$2,469,787	none	none	none
Amount Outstanding	\$787,897	none	none	none
Date of Maturity	12/21/2021	none	none	none
Interest Rate	variable	none	none	none
Current Year Interest	\$34,944	none	none	none
Current Year Principal	\$166,061	none	none	none

Meter Deposit Balance at Test Year End:	\$562,785
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Meter Deposits Refunded During the Test Year:	\$14,475
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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:	Rio Verde Utilities, Inc
ADEQ Public Water System Number:	7121

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)
55-606073	25	310	145	12	turbine	6	1962	0.0100
55-606071	75	700	697	20-16	turbine	6	1971	0.0070
55-561190	200	1,000	1,050	18	turbine	12	1997	
55-506808	10	110	117	16-12	turbine	3	1984	0.0070
55-510881	200	950	1,075	16	turbine	8	1986	
55-511320	40	380	665	16	turbine	6	1986	0.0230
55-519287	200	500	950	16	turbine	8&6	1987	
55-561226	400	2,000	1,160	16	turbine	12	1997	
55-578746	20	510	200	12	turbine	6	2000	0.0070

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Water Exchange CAP/SRP	890	128,389

BOOSTER PUMPS		
Horsepower	GPM	Quantity
30	300	2
50	500	1
300	1,850	2
100	1,000	2

FIRE HYDRANTS	
Type	Quantity
Standard ***	305
Other	

STORAGE TANKS		
Capacity	Material	Quantity
300,000	steel	1
740,000	steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
500	1

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-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)			CUSTOMER METERS	
MAINS			Size (inches)	Quantity
Sizes (inches)	Material	Length (feet)		
2.00	PVC	1,585	NA	0
3.00	PVC	6,186	0.75	380
4.00	PVC	57,343	1	1,462
6.00	PVC	71,748	1.5	18
8.00	PVC	125,880	Turbine 2	8
12.00	PVC	23,476	Compound 6	1
8.00	Ductile Iron	1,084	6	7
8.00	Transite	29,084	NA	
10.00	Transite	700	NA	
12.00	Ductile Iron	3,841	NA	
12.00	Transite	1,700	NA	
16.00	Ductile Iron	1,844	NA	
6.00	Ductile Iron	53	NA	
NA	NA		NA	
			NA	
			NA	
			NA	
			NA	
			NA	
			NA	
			NA	
			NA	

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

TREATMENT EQUIPMENT:	1 Hypochlorinators @Wells 1 & 2
STRUCTURES:	Lab/Office 2 Wastewater Treatemnt Plant, Fenced Areas @ storage tanks and wells, walled areas @ wells 1,5,6,8
OTHER:	150 KW Generator 2 300,000 storage tank, 75 KW Generator @ well 2, 150 KW Generator @ Vista Verde Booster Pump

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:		Rio Verde Utilities, Inc					
ADEQ Public Water System Number:		7121					
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴	Purchased Power Expense ⁵	Purchased Power (kWh) ⁶
January	1,934	29,237	22,233			\$5,667	58,297
February	1,954	27,005	31,574			4,347	38,981
March	1,955	57,646	62,252			11,169	130,303
April	1,987	91,369	97,795			17,236	193,518
May	1,997	97,955	103,526			19,878	210,726
June	2,019	119,774	125,880			28,686	257,274
July	2,023	101,917	107,802			21,114	192,636
August	2,030	90,017	122,792			21,959	230,251
September	2,030	117,530	95,710			21,046	223,247
October	2,050	127,442	137,330			22,222	250,247
November	2,063	57,847	62,236			10,286	107,762
December	2,063	51,197	49,202			9,556	98,096
Totals		968,934	1,018,332	0	0	\$193,166	1,991,338

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:

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.

- 1 Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.
- 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.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

Rio Verde Utilities, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	7121
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January		2	
February		1	
March			
April			
May			
June		1	
July			
August		1	
September			
October		3	
November		1	
December		1	
Total	0	10	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.

Rio Verde Utilities, Inc.
Annual Report
Property Taxes
12/31/17

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2017 was	\$41,875

If no property taxes paid, explain why.

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 30 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Maricopa
Name (owner or official) title: Jim Thomson, President
Company name: Rio Verde Utilities, Inc. Water

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.

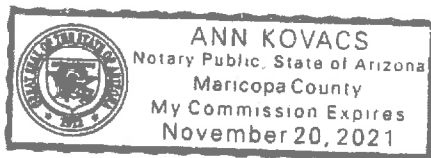
Jim Thomson
signature of owner/official

480-471-7247
telephone no.

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

THIS 30th DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 11-20-21
(date)



Ann Kovacs
(signature of notary public)

Verification and Sworn Statement

RECEIVED

APR 30 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification:

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

County of (county name): Maricopa

Name (owner or official) title: Jim Thomson, President

Company name: Rio Verde Utilities, Inc. water

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 (\$)

\$1,881,381

(The amount in the box above includes

\$109,070 in sales taxes

billed or collected)

Jim Thomson
signature of owner/official

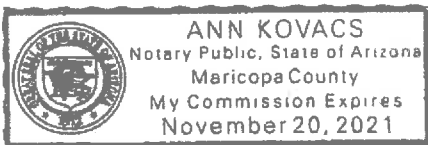
480-471-7247

telephone no.

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

THIS 30th DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 11-20-21
(date)



Ann Kovacs
(signature of notary public)

RECEIVED

APR 30 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Jim Thomson, President
Company name: Rio Verde Utilities, Inc. water

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 (\$)

\$709,305

(The amount in the box above includes

\$42,038 in sales taxes
billed or collected)

Jim Thomson
signature of owner/official

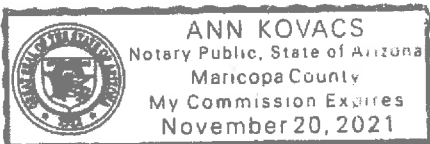
480-471-7247
telephone no.

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

Maricopa
(county name)

THIS 30th DAY OF April 2018
(month) and (year)

MY COMMISSION EXPIRES 11-20-21
(date)



Ann Kovacs
(signature of notary public)