

ANNUAL REPORT

Of

Company Name:
25609 Danny Lane

Mailing Address: Rio Verde AZ
85263

Docket No.: WS-02156A
For the Year Ended:

RECEIVED
APR 16 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:
Application Date:

4-24-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT

Rio Verde Utilities, Inc.

A Class Utility

1. For the Calendar Year Ended: 12/31/18

2. Address:

25609 N Danny Lane Suite 1					
City:	Rio Verde	State:	Arizona	Zip Code:	85263

3. Telephone Number: 480-521-6168

4. Date of Original Organization of Utility: 2/25/1971

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

Name: Jim Thomson
Telephone No. : 480-521-6168
Address:

25609 N Danny Lane Suite 1					
City:	Rio Verde	State:	Arizona	Zip Code:	85263

Email: jthomson@epcor.com

6. On-Site Manager:

Name: Michael Kleminski
Telephone No. : 480-521-9112
Address:

25609 N Danny Lane Suite 1					
City:	Rio Verde	State:	Arizona	Zip Code:	85263

Email: mkleminski@epcor.com

7. Ownership: "C" Corporation

8. Counties Served: Maricopa

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	\$1,380	\$0	\$0	\$1,380	\$0	\$1,380
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	186,074	50,000	0	236,074	0	236,074
304	Structures and Improvements	79,055	0	0	79,055	43,211	35,844
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	74,998	50,000	2,608,584	1,388,999	1,219,585
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	141,871	6,668	0	148,539	41,434	107,105
311	Pumping Equipment	1,682,313	8,633	0	1,690,946	893,030	797,916
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	13,475	0	49,116	31,256	17,860
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	199,554	276,720
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	5,261,054	4,720	2,500	5,263,274	2,426,211	2,837,063
333	Services	590,967	0	0	590,967	247,564	343,403
334	Meters and Meter Installations	292,680	119,396	0	412,076	132,604	279,472
335	Hydrants	663,267	0	0	663,267	272,541	390,726
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	105,744	0	0	105,744	79,725	26,019
340	Office Furniture and Equipment	25,886	0	0	25,886	12,317	13,569
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	98,910	3,444	450	101,904	43,531	58,373
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	17,922	0	0	17,922	7,457	10,465
344	Laboratory Equipment	15,091	3,021	2,000	16,112	7,642	8,470
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	140,859	0	0	140,859	36,937	103,922
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	75,626	1,202	800	76,028	13,585	62,443
	Totals	\$12,474,200	\$285,557	\$55,750	\$12,704,007	\$5,877,599	\$6,826,409

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)
 12/31/18

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	\$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	50,000	0	236,074	236,074	0.00%	0
304	Structures and Improvements	79,055	0	0	79,055	0	3.33%	2,633
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	74,998	50,000	2,608,584	0	3.33%	86,450
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	141,871	6,668	0	148,539	0	5.00%	7,260
311	Pumping Equipment	1,682,313	8,633	0	1,690,946	0	5.00%	84,331
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	13,475	0	49,116	0	20.00%	8,476
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	5,261,054	4,720	2,500	5,263,274	0	2.00%	105,243
333	Services	590,967	0	0	590,967	0	3.33%	19,679
334	Meters and Meter Installations	292,680	119,396	0	412,076	0	6.64%	23,398
335	Hydrants	663,267	0	0	663,267	0	2.00%	13,265
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	25,886	0	0	25,886	0	6.67%	1,727
340.1	Computer & Software	0	0	0	0	0	20.00%	0
341	Transportation Equipment	98,910	3,444	450	101,904	0	20.00%	20,081
342	Stores Equipment	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	17,922	0	0	17,922	0	5.00%	896
344	Laboratory Equipment	15,091	3,021	2,000	16,112	0	10.00%	1,560
345	Power Operated Equipment	0	0	0	0	0	5.00%	0
346	Communication Equipment	140,859	0	0	140,859	0	10.00%	14,086
347	Miscellaneous Equipment	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	75,626	1,202	800	76,028	0	10.00%	7,583
	Subtotal	\$12,474,200	\$285,557	\$55,750	\$12,704,007	\$237,454		\$414,295

Contribution(s) in Aid of Construction (Gross)	\$1,921,924
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	77,500
Amortizable Contribution(s)	<u>\$1,844,424</u>
Times: Proposed Amortization Rate	3.32%
Amortization of CIAC	\$61,295

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.

Rio Verde Utilities, Inc.
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		\$434,820	\$949,263
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		113,086	107,137
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		3,834	3,661
162	Prepayments		31,070	76,606
174	Miscellaneous Current and Accrued Assets		397,168	236,641
	Total Current and Accrued Assets		\$979,978	\$1,373,308
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$12,474,200	\$12,704,007
103	Property Held for Future Use		0	0
105	Construction Work in Progress		32,172	7,330
108	Accumulated Depreciation (enter as negative)*		(5,518,605)	(5,877,599)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$6,987,767	\$6,833,739
	Total Assets		\$7,967,745	\$8,207,047

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

Rio Verde Utilities, Inc.
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		\$22,362	\$21,837
232	Notes Payable (Current Portion)		87,815	230,536
234	Notes Payable to Associated Companies		30,326	11,545
235	Customer Deposits		0	0
236	Accrued Taxes		10,714	49,490
237	Accrued Interest		1,439	1,084
242	Miscellaneous Current and Accrued Liabilities		28,209	19,015
	Total Current Liabilities		\$180,865	\$333,507
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$286,084	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	
252	Advances in Aid of Construction		1,420,051	1,565,093
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,766,924	1,921,924
272	Less: Amortization of Contributions		(990,484)	(1,051,779)
281	Accumulated Deferred Income Tax		603,293	579,554
	Total Deferred Credits		\$2,799,784	\$3,014,792
	Total Liabilities		\$3,266,733	\$3,348,299
	Capital Accounts			
201	Common Stock Issued		\$1,533,989	\$1,533,989
211	Other Paid-In Capital		0	0
215	Retained Earnings		3,167,023	3,324,759
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$4,701,012	\$4,858,748
	Total Liabilities and Capital		\$7,967,745	\$8,207,047

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!

Rio Verde Utilities, Inc.
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	\$1,844,627	\$1,731,253
460	Unmetered Water Revenue		6,058
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	43,590	35,000
	Total Revenues	\$1,888,217	\$1,772,311
	Operating Expenses		
601	Salaries and Wages	\$266,483	\$289,556
604	Employee Pensions and Benefits	0	0
610	Purchased Water	134,596	104,479
615	Purchased Power	270,335	277,431
618	Chemicals	8,564	11,017
620	Materials and Supplies	9,786	7,470
620.1	Repairs and Maintenance	76,822	108,369
620.2	Office Supplies and Expense	14,409	14,872
630	Contractual Services	8,210	5,851
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	33,726	9,552
633	Contractual Services - Legal	7,490	5,487
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	12,431	15,369
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	24,000	24,000
642	Rental of Equipment	4,852	4,493
650	Transportation Expenses	14,064	13,527
657	Insurance - General Liability	53,759	49,042
657.1	Insurance - Health and Life	55,388	53,262
665	Regulatory Commission Expense - Rate	26,728	8,914
670	Bad Debt Expense	631	171
675	Miscellaneous Expense	27,140	12,475
403	Depreciation Expense (From Schedule AR4)	353,000	343,210
408	Taxes Other Than Income	35,637	44,119
408.11	Property Taxes	43,265	41,875
409	Income Taxes	134,948	101,096
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$1,616,264	\$1,545,637
	Operating Income / (Loss)	\$271,953	\$226,674
	Other Income / (Expense)		
419	Interest and Dividend Income	\$365	\$382
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	(874)
427	Interest (Expense)	(14,580)	(15,095)
	Total Other Income / (Expense)	(\$14,215)	(\$15,587)
	Net Income / (Loss)	\$257,738	\$211,087

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
 Full time equivalent employees
 12/31/18

Full time equivalent employees

	Direct Company	Outside service	Total
President	1.0	0.0	1.0
Vice-president	0.0	0.0	0.0
Manager	1.0	0.0	1.0
Engineering Staff	0.0	0.0	0.0
System Operator(s)	3.0	0.0	3.0
Meter reader	1.0	0.0	1.0
Customer Service	0.0	0.0	0.0
Accounting	0.0	0.0	0.0
Business Office	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0
Administrative Staff	1.0	0.0	1.0
Other	1.0	0.0	1.0
Total	8.0	0.0	8.0

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

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.	1/31/2074	None	None	None
Reason for Loan	Plant Expansion	None	None	None
Dollar Amt. Issued	1/16/8662	None	None	None
Amount Outstanding	3/8/2531	None	None	None
Date of Maturity	12/21/2021	None	None	None
Interest Rate	Variable	None	None	None
Current Year Interest	36,018	None	None	None
Current Year Principal	172,730	None	None	None

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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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:	AZ0407121	
ADWR PCC Number:	91-000235.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	1,585
3.00	PVC	6,186
4.00	PVC	57,343
NA	NA	0
6.00	PVC	71,748
8.00	PVC	125,880
NA	NA	0
12.00	PVC	23,476
8.00	Ductile Iron	1084/29084
10.00	Transite	700
12.00	Ductile Iron	3841/1700
16.00	Ductile Iron	1,844
6.00	Ductile Iron	53

CUSTOMER METERS	
Size (inches)	Quantity
0.75	380
1	1,462
1.5	18
2	8
6	1
6+	7

SERVICE LINES	
Material	Percent of system
Black poly	20%
Copper	80%

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	0

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
300,000	steel	1
740,000	steel	1

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
500	steel	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.

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

TREATMENT EQUIPMENT:	Hypochlorinators @Wells 1 & 2
STRUCTURES:	Lab/Office 2 Wastewater Treatment 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, Neslon Booster Pump 460 KW generator

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:	RIO VERDE UTILITIES, INC.
ADEQ Public Water System Number:	AZ0407121
ADWR PCC Number:	91-000235.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	1,570	398	7	10	0
February	1,587	398	8	10	0
March	1,606	398	7	10	0
April	1,624	398	6	10	0
May	1,631	398	8	10	0
June	1,638	398	8	10	0
July	1,641	398	9	10	0
August	1,664	398	9	10	0
September	1,685	398	8	10	0
October	1,691	398	9	10	0
November	1,702	398	9	10	0
December	1,719	398	9	10	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.

Rio Verde Utilities, Inc.
Annual Report
Property Taxes
12/31/18

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2018 was	\$43,265
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If no property taxes paid, explain why. N/A
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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.

Rio Verde Utilities, Inc.
Annual Report
Verification and Sworn Statement (Taxes)
12/31/18

Verification and Sworn Statement (Taxes)

RECEIVED

APR 15 2019

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

County of (county name): Maricopa
Name (owner or official) title: Jim Thomson, President at 12/31/2018
Company name: Rio Verde Utilities, Inc.

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

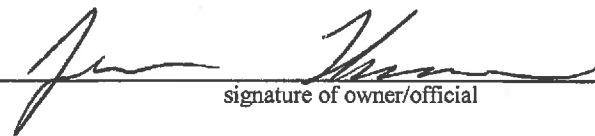
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/18

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


signature of owner/official

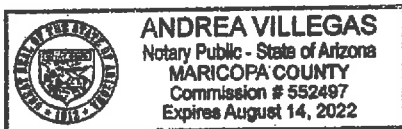
480-521-6168
telephone no.


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

THIS 15th DAY OF April 2019
(month) and (year)

Maricopa
(county name)

MY COMMISSION EXPIRES 8/14/22
(date)




(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Jim Thomson, President at 12/31/2018
Company name: Rio Verde Utilities, Inc.

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

RECEIVED

APR 15 2019

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 (\$)

\$2,004,430

(The amount in the box above includes

\$116,210 in sales taxes
billed or collected)

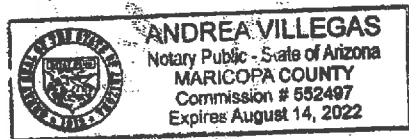
[Signature]
signature of owner/official

480-521-6168
telephone no.

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

THIS 11th DAY OF Maricopa April 2019
(county name) (month) and (year)

MY COMMISSION EXPIRES 8/14/22
(date)



[Signature]
(signature of notary public)

RECEIVED

APR 15 2019

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 at 12/31/2018
Company name: Rio Verde Utilities, Inc.

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 (\$)

\$819,530

(The amount in the box above includes

\$48,570 in sales taxes
billed or collected)

Jim Thomson
signature of owner/official

480-521-6168

telephone no.

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

Maricopa
(county name)

THIS

11th

DAY OF

April 2019
(month) and (year)

MY COMMISSION EXPIRES

8/14/22
(date)



AVillegas
(signature of notary public)