

RECEIVED
UTILITIES DIVISION
2019 APR 17 A 8:29

ANNUAL REPORT

Of

Company Name:

Utility Source, LLC
20525 E. Chandler Heights Rd.

Mailing Address:

Queen Creek AZ
85142-9500

Docket No.:

WS-04235A

For the Year Ended:

12/31/18

WASTEWATER 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:

1/16/2018

4-22-19

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Utility Source, LLC

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 (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	\$0	\$0	\$0	\$0	\$0	\$0
352	Franchises	1,646	0	0	1,646	0	1,646
353	Land and Land Rights	105,000	0	0	105,000	0	105,000
354	Structures and Improvements	56,350	0	0	56,350	27,206	29,144
355	Power Generation Equipment	2,879	0	0	2,879	2,519	360
360	Collections Wastewater - Force	0	0	0	0	0	0
361	Collections Wastewater - Gravity	260,553	202,234	0	462,787	77,582	385,205
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	60,375	0	0	60,375	17,513	42,862
364	Flow Measuring Devices	0	0	0	0	0	0
365	Flow Measuring Installations	3,450	0	0	3,450	3,450	0
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	0	0	0	0	0	0
371	Pumping Equipment	0	0	0	0	0	0
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0
380	Treatment and Disposal Equipment	903,992	0	0	903,992	653,034	250,958
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	0	0	0	0	0	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0
390	Office Furniture and Equipment	4,672	0	0	4,672	2,864	1,808
390.1	Computer & Software	0	0	0	0	0	0
391	Transportation Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	0	0	0	0	0	0
394	Laboratory Equipment	0	0	0	0	0	0
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	0	0	0	0	0	0
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,398,917	\$202,234	\$0	\$1,601,151	\$784,168	\$816,983

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.

Utility Source, LLC
Annual Report
Depreciation Expense for the Current Year (Wastewater)
12/31/18

Depreciation Expense for the Current Year (Wastewater)								
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
351	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
352	Franchises	1,646	0	0	1,646	1,646	0.00%	0
353	Land and Land Rights	105,000	0	0	105,000	105,000	0.00%	0
354	Structures and Improvements	56,350	0	0	56,350	0	3.33%	1,876
355	Power Generation Equipment	2,879	0	0	2,879	0	5.00%	144
360	Collections Wastewater - Force	0	0	0	0	0	0.00%	0
361	Collections Wastewater - Gravity	260,553	202,234	0	462,787	0	2.00%	7,233
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	60,375	0	0	60,375	0	2.00%	1,208
364	Flow Measuring Devices	0	0	0	0	0	0.00%	0
365	Flow Measuring Installations	3,450	0	0	3,450	3,450	10.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	0	0	0	0	0	0.00%	0
371	Pumping Equipment	0	0	0	0	0	0.00%	0
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0.00%	0
380	Treatment and Disposal Equipment	903,992	0	0	903,992	0	5.00%	45,200
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	0	0	0	0	0	0.00%	0
389	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
390	Office Furniture and Equipment	4,672	0	0	4,672	0	6.67%	312
390.1	Computer & Software	0	0	0	0	0	0.00%	0
391	Transportation Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
394	Laboratory Equipment	0	0	0	0	0	0.00%	0
395	Power Operated Equipment	0	0	0	0	0	0.00%	0
396	Communication Equipment	0	0	0	0	0	0.00%	0
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$1,398,917	\$202,234	\$0	\$1,601,151	\$110,096		\$55,973

Contribution(s) in Aid of Construction (Gross)	\$197,973
Less: Non Amortizable Contribution(s)	103,364
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$94,609</u>
Times: Proposed Amortization Rate	3.75%
Amortization of CIAC	\$3,552

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.

UTILITY SOURCE, LLC
Annual Report
Balance Sheet Assets
12/31/2018

Balance Sheet Assets				
	Assets		"Balance at Beginning of Year " (2018)	"Balance at End of Year " (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$454,425	\$418,471
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		222,464	235,620
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	25,508
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$676,889	\$679,599
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$5,590,215	\$5,967,247
103	Property Held for Future Use		126,558	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation-Utility Plant		(2,348,922)	(2,529,720)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$3,367,851	\$3,437,527
186	Deferred Rate Case Expense		\$21,169	\$0
	Total Assets		\$4,065,909	\$4,117,126

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

UTILITY SOURCE, LLC
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
Account No.	Liabilities		"Balance at Beginning of Year " (2018)	"Balance at End of Year " (2018)
Current Liabilities				
231	Accounts Payable		\$2,084	\$2,084
232	Notes Payable (Current Portion)		0	0
234	Notes/Accounts Payable to Associated Companies		0	0
235	Customer Deposits		20,765	23,400
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		37,893	63,028
	Total Current Liabilities		\$60,742	\$88,512
Long Term Debt (Over 12 Months)				
224	Long Term Debt (Notes and Bonds)		\$0	\$0
Deferred Credits				
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		350,000	350,000
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		492,718	605,110
272	Less: Amortization of Contributions		(238,377)	(250,458)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$604,341	\$704,652
	Total Liabilities		\$665,083	\$793,165
Capital Accounts				
201	Common Stock Issued		\$0	\$0
211	Paid in Capital in Excess of Par Value		0	0
215	Retained Earnings		91,042	71,337
218	Proprietary Capital (Sole Props and Partnerships)		3,289,784	3,252,624
	Total Capital		\$3,380,826	\$3,323,961
	Total Liabilities and Capital		\$4,045,909	\$4,117,126

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!

Wastewater 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		
521	Flat Rate Revenues	\$206,640	\$172,373
522	Measured Revenues	117,203	94,558
534	Rents from Wastewater Property	0	0
539	Other Wastewater Revenues	2,716	11,143
	Total Revenues	\$326,559	\$278,074
	Operating Expenses		
701	Salaries and Wages	\$53,455	\$52,821
704	Employee Pensions and Benefits	0	0
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	27,360	12,540
715	Purchased Power	38,396	28,011
716	Fuel for Power Production	0	0
718	Chemicals	2,897	0
720	Materials and Supplies	3,985	4,700
721	Office Expense	3,565	2,186
731	Contractual Services -Engineering	0	637
732	Contractual Services - Accounting	4,431	6,827
733	Contractual Services - Legal	645	2,321
734	Contractual Services - Management Fees	38,200	45,850
735	Contractual Services - Testing	22,477	13,891
736	Contractual Services - Other	2,283	4,188
740	Rents - Building	7,932	7,932
742	Rents - Equipment	0	0
750	Transportation Expenses	4,375	3,522
757	Insurance - General Liability	4,933	4,545
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	13,406	14,078
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	165	0
775	Miscellaneous Expense	28,690	26,067
403	Depreciation Expense (From Schedule AR4)	52,421	52,421
408	Taxes Other Than Income	0	0
408.11	Property Taxes	10,807	1,537
408.12	Payroll Taxes	4,453	4,314
409	Income Taxes	0	0
	Total Operating Expenses	\$324,875	\$288,388
	Operating Income / (Loss)	\$1,684	(\$10,314)
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	2,029	2,585
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(835)	(86)
	Total Other Income / (Expense)	\$1,194	\$2,499
	Net Income / (Loss)	\$2,878	(\$7,815)

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.

Utility Source, LLC
 Annual Report
 Full time equivalent employees
 12/31/18

Full time equivalent employees

	Direct Company	Outside service	Total
President	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0
Manager	1.0	0.0	1.0
Engineering Staff	0.0	1.0	1.0
System Operator(s)	0.0	0.0	0.0
Meter reader	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0
Accounting	0.0	1.0	1.0
Business Office	0.0	2.0	2.0
Rates Department	0.0	0.0	0.0
Administrative Staff	1.0	0.0	1.0
Other	0.0	0.0	0.0
Total	2.0	4.0	6.0

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	1/0/1900	1/0/1900	1/0/1900	1/0/1900
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	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Interest Rate	0.00%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$23,400
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Meter Deposits Refunded During the Test Year:	\$3,444
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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.

Wastewater Utility Plant Description

Name of System:	Flagstaff Meadows Wastewater Treatment Plant
Wastewater Inventory Number (if applicable):	0
Type of Treatment	Extended aeration, stepfeed system
Design Capacity of Plant (Gallons per day)	37,500 gpd Plant 1 100,000 gpd Plant 2

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Pilot Travel Center	2	1.5	50	1,500
Flagstaff Meadows WW	2	3	150	8,000
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

FORCE MAINS

Size	Material	Length (Feet)
4 inch	SDR-35	2,200
6 inch	0	0
0	0	0
0	0	0
0	0	0
0	0	0

MANHOLES

Type	Quantity
Standard	101
Drop	0

CLEANOUTS

Quantity
1
0
0
0

Note: If you are filing for more than one system, please provide separate sheets for each system.

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.

Wastewater Utility Plant Description (Continued)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	0	0	4	SDR-35	427
6	0	0	6	SDR-35	3
8	SDR-35	21,974	8	0	0
10	0	0	12	0	0
12	SDR-35	360	15	0	0
15	0	0	0	0	0
18	0	0	0	0	0
21	0	0	0	0	0
24	0	0	0	0	0
30	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

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

SOLIDS PROCESSING AND HANDLING FACILITIES	21,928 gallon sludge holding tank - sludge hauled away 35,000 gallon sludge holding tank - sludge away
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	1 Peristaltic chemical pump
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Mixed media filter continuous backwash
STRUCTURES (Buildings, Fences, Etc.)	700 sq ft building 2 -12' wide rolling gates 6' cinder block fence, 376 in length
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Back up generator, microscope, do/ph meter, centrifuge

Note: If you are filing for more than one system, please provide separate sheets for each system.

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.

Wastewater Flows			
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day
January	330	1,904,700	88,100
February	331	1,743,800	87,000
March	334	1,857,700	95,100
April	334	1,843,400	87,100
May	334	1,835,000	91,400
June	331	1,687,500	84,900
July	351	1,998,300	85,800
August	356	1,803,300	92,400
September	362	1,701,600	91,800
October	372	1,866,600	77,300
November	379	1,634,200	69,800
December	382	1,699,600	70,700
	Totals	21,575,700	1,021,400

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Surface water discharge
Groundwater Permit Number	0
ADEQ Aquifer Protection Permit ("APP") Number	P104083
ADEQ Reuse Permit Number	R104083
EPA NPDES Permil Number	AZ 0024708
APP Effluent Treatment Requirement (Class)?	0

0

Note: If you are filing for more than one system, please provide separate sheets for each system.

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.

Utility Source, LLC
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/18

Name of System:	Flagstaff Meadows Wastewater Treatment Plant
Wastewater Inventory Number (if applicable):	0

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.C	Other
January	0	0	0
February	0	0	0
March	0	3	0
April	0	0	0
May	0	0	0
June	0	2	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	1	0
November	0	0	0
December	0	0	0
Total	0	6	0

Other (description):

0	
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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.

Utility Source, LLC
Annual Report
Property Taxes
12/31/18

Property Taxes

Amount of actual property taxes paid during Calendar Year 2018 was \$10,807

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 Statement (Taxes)

RECEIVED
UTILITIES DIVISION
2019 APR 17 A 8:30

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

County of (county name): MARICOPA
Name (owner or official) title: LONNIE MCCLEVE
Company name: Utility Source, LLC

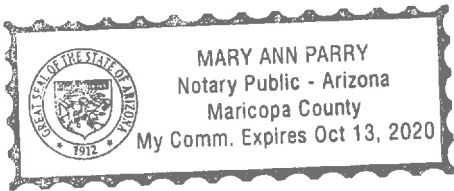
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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.



Lonnie McCleve
signature of owner/official

480-892-8756
telephone no.

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

THIS

15

DAY OF

Maricopa
(county name)
April 2019
(month) and (year)

MY COMMISSION EXPIRES

10-13-20
(date)

Mary Ann Parry
(signature of notary public)

Verification and Statement

Verification:

State of ARIZONA I, the undersigned of the
(state name)
County of (county name): MARICOPA
Name (owner or official) title: LONNIE MCCLEVE
Company name: Utility Source, LLC

RECEIVED
UTILITIES DIVISION
2019 APR 11 A 8:30
ARIZONA CORPORATION COMMISSION

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 (\$) \$355,968
(The amount in the box above includes \$22,967 in sales taxes billed or collected)



[Signature]
signature of owner/official

480-892-8756
telephone no.

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

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

MY COMMISSION EXPIRES 10-13-20
(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): MARICOPA
Name (owner or official) title: LONNIE MCCLEVE
Company name: Utility Source, LLC

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.

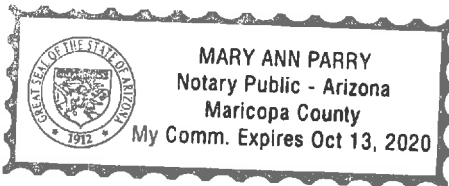
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$283,183

(The amount in the box above includes

\$19,540 in sales taxes
billed or collected)



Lonnie McCleve
signature of owner/official

480-892-8756
telephone no.

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

Maricopa
(county name)

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

MY COMMISSION EXPIRES 10-13-20
(date)

Mary Ann Parry
(signature of notary public)



Statement of Taxes Due

COCONINO COUNTY TREASURER

Account Number C1033860
Assessed To

Parcel 99955551
UTILITY SOURCE LLC SEWER
C/O: LONNIE MCCLEVE
20525 E CHANDLER HEIGHTS ROAD
QUEEN CREEK, AZ 85142-9500

Legal Description **Situs Address**
SEWER: TOTAL VALUE OF OPERATING PROPERTY

Year	Tax	Interest	Fees	Payments	Balance
Tax Charge					
2018	\$5,983.70	\$0.00	\$0.00	\$0.00	\$5,983.70
2017	\$4,224.28	\$84.49	\$0.00	(\$4,308.77)	\$0.00
2016	\$4,423.36	\$707.74	\$0.00	(\$5,131.10)	\$0.00
2015	\$4,388.02	\$0.00	\$0.00	(\$4,388.02)	\$0.00
2014	\$4,630.82	\$185.23	\$0.00	(\$4,816.05)	\$0.00
2013	\$4,954.48	\$0.00	\$0.00	(\$4,954.48)	\$0.00
2012	\$4,507.24	\$0.00	\$0.00	(\$4,507.24)	\$0.00
2011	\$3,532.52	\$0.00	\$0.00	(\$3,532.52)	\$0.00
2010	\$2,574.44	\$0.00	\$0.00	(\$2,574.44)	\$0.00
2009	\$1,493.02	\$0.00	\$0.00	(\$1,493.02)	\$0.00
Total Tax Charge					\$5,983.70

Grand Total Due as of 12/31/2018 ✓ # 4441 12/31/2018 **\$5,983.70**

waste-water

Tax Billed at 2018 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
COCONINO COUNTY	0.0055890000	\$317.90	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$13,779	\$2,480
ST SCHL EQUALIZATION	0.0047410000	\$269.67	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$302,221	\$54,400
SD#1 FLAGSTAFF	0.0381730000	\$2,171.28			
COMMUNITY COLLEGE	0.0047410000	\$269.67			
Taxes Billed 2018	0.0532440000	\$3,028.52	Total	\$316,000	\$56,880

Tax Billed at 2018 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
FLOOD CONTROL DIST	0.0018080000	\$4.48			
Taxes Billed 2018	0.0018080000	\$4.48	Total	\$0	\$0

Tax Billed at 2018 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
FD PONDEROSA	0.0308000000	\$1,751.90	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$13,779	\$2,480
FD ASSISTANCE FUND	0.0010000000	\$56.88	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$302,221	\$54,400
LIBRARY DISTRICT	0.0025560000	\$145.38			
PUB HEALTH SERVICE	0.0025000000	\$142.20			
JTED-CAVIAT	0.0005000000	\$28.44			
SD#1 BUDGET OVERRIDES	0.0070700000	\$402.14	Total	\$316,000	\$56,880
SD#1 DESEGREGATION	0.0018430000	\$104.83			
COMMUNITY COLLEGE	0.0012180000	\$69.28			
SD#1 CLASS B BONDS	0.0043890000	\$249.65			
Taxes Billed 2018	0.0518760000	\$2,950.70			

Make payment to:

Coconino County Treasurer 110 E. Cherry Avenue Flagstaff, AZ 86001 (1-877) 500-1818 (928) 679-8188



Coconino County Treasurer

Account	Parcel Number	Receipt Date	Receipt Number
C1033860	99955551	Jan 31, 2018	01-31-2018-BR-002025

UTILITY SOURCE LLC SEWER
 20525 E CHANDLER HEIGHTS ROAD
 QUEEN CREEK, AZ 85142-9500

Site Address	Payor
	UTILITY SOURCE LLC SEWER 20525 E CHANDLER HEIGHTS ROAD QUEEN CREEK, AZ 85142-9500

Legal Description
SEWER: TOTAL VALUE OF OPERATING PROPERTY

Check Multi-Account Payment
 Reference CK 4146

Payments Applied		Billed	Prior Payments	New Payments	Balance
2017	Interest	\$84.49	\$0.00	\$84.49	\$0.00
2017	Tax Charge	\$4,224.28	\$0.00	\$4,224.28	\$0.00
2016	Interest	\$707.74	\$0.00	\$707.74	\$0.00
2016	Tax Charge	\$4,423.36	\$0.00	\$4,423.36	\$0.00
				\$9,439.87	\$0.00
Balance Due as of Jan 31, 2018					\$0.00

sewer # 4146 1/31/2018



Statement of Taxes Due

COCONINO COUNTY TREASURER

Account Number C1033860

Parcel 99955551

Legal Description

Situs Address

SEWER: TOTAL VALUE OF OPERATING PROPERTY

Account: C1033860
 UTILITY SOURCE LLC SEWER
 C/O: LONNIE MCCLEVE
 20525 E CHANDLER HEIGHTS ROAD
 QUEEN CREEK, AZ 85142-9500

Year	Tax	Interest	Fees	Payments	Balance
Tax Charge					
2017	\$4,224.28	\$84.49	\$0.00	\$0.00	\$4,308.77
2016	\$4,423.36	\$707.74	\$0.00	\$0.00	\$5,131.10
2015	\$4,388.02	\$0.00	\$0.00	(\$4,388.02)	\$0.00
2014	\$4,630.82	\$185.23	\$0.00	(\$4,816.05)	\$0.00
2013	\$4,954.48	\$0.00	\$0.00	(\$4,954.48)	\$0.00
2012	\$4,507.24	\$0.00	\$0.00	(\$4,507.24)	\$0.00
2011	\$3,532.52	\$0.00	\$0.00	(\$3,532.52)	\$0.00
2010	\$2,574.44	\$0.00	\$0.00	(\$2,574.44)	\$0.00
2009	\$1,493.02	\$0.00	\$0.00	(\$1,493.02)	\$0.00
2008	\$1,473.14	\$0.00	\$0.00	(\$1,473.14)	\$0.00
Total Tax Charge					\$9,439.87
Grand Total Due as of 01/30/2018					\$9,439.87

Tax Billed at 2017 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
COCONINO COUNTY	0.0056780000	\$230.97	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$9,855	\$1,774
ST SCHL EQUALIZATION	0.0048750000	\$198.32			
SD#1 FLAGSTAFF	0.0401430000	\$1,633.02	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$216,145	\$38,906
COMMUNITY COLLEGE	0.0048160000	\$195.92			
SD#1 ADJACENT WAYS	0.0003920000	\$15.95			
Taxes Billed 2017	0.0559040000	\$2,274.18	Total	\$226,000	\$40,680

Tax Billed at 2017 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
FLOOD CONTROL DIST	0.0040000000	\$7.10			
Taxes Billed 2017	0.0040000000	\$7.10	Total	\$0	\$0

Tax Billed at 2017 Rates for Tax Area 0113 - SD#1 FD PONDEROSA

Authority	Tax Rate	Amount	Values	Actual	Assessed
FD PONDEROSA	0.0286000000	\$1,163.45	WATER, SEWER & WASTEWATER UTILITY COMPANIES	\$9,855	\$1,774
FD ASSISTANCE FUND	0.0010000000	\$40.68			
LIBRARY DISTRICT	0.0025560000	\$103.98	WATER, SEWER & WASTEWATER	\$216,145	\$38,906
PUB HEALTH SERVICE	0.0025000000	\$101.70			



Statement of Taxes Due

COCONINO COUNTY TREASURER

Authority	Tax Rate	Amount	Values	Actual	Assessed
JTED-CAVIAT	0.0005000000	\$20.34	UTILITY COMPANIES		
SD#1 BUDGET OVERRIDES	0.0071200000	\$289.64			
COMMUNITY COLLEGE	0.0013260000	\$53.94			
SD#1 CLASS B BONDS	0.0041610000	\$169.27			
			Total	\$226,000	\$40,680
Taxes Billed 2017	0.0477630000	\$1,943.00			

Make payment to:

Coconino County Treasurer 110 E. Cherry Avenue Flagstaff, AZ 86001 (1-877) 500-1818 (928) 679-8188