

**ANNUAL REPORT**

Of

Company Name:

PO Box 219

Mailing Address: Tempe AZ

85280-0219

Docket No.: W-01275A

For the Year Ended:

**RECEIVED**  
**APR 27 2018**  
ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [rdelafuente@azcc.gov](mailto: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:

4-27-18

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Berneil Water Company  
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	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	400	0	0	400	0	400
304	Structures and Improvements	35,532	300	0	35,832	29,521	6,311
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	282,006	8,756	0	290,761	151,977	138,784
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	488,505	4,921	0	493,426	457,433	35,993
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	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	240,920	1,876	0	242,796	225,880	16,916
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	953,849	7,634	0	961,483	923,581	37,902
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	226,367	11,759	0	238,126	215,637	22,489
335	Hydrants	78,018	1,575	0	79,592	62,993	16,599
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	69,166	0	0	69,166	40,896	28,270
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	1,586	0	1,586	0	1,586
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$2,374,763</b>	<b>\$38,406</b>	<b>\$0</b>	<b>\$2,413,169</b>	<b>\$2,107,918</b>	<b>\$305,251</b>

**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.

Berneil Water Company  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/17

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	400	0	0	400	0	0.00%	0
304	Structures and Improvements	35,532	300	0	35,832	0	5.00%	982
305	Collecting & Improving Reservoirs	0	0	0	0	0	5.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	5.00%	0
307	Wells and Springs	282,006	8,756	0	290,761	0	5.00%	9,224
308	Infiltration Galleries	0	0	0	0	0	5.00%	0
309	Supply Mains	0	0	0	0	0	5.00%	0
310	Power Generation Equipment	0	0	0	0	0	5.00%	0
311	Pumping Equipment	488,505	4,921	0	493,426	0	5.00%	17,926
320	Water Treatment Equipment	0	0	0	0	0	5.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	5.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	5.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	5.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	5.00%	0
330.1	Storage Tanks	240,920	1,876	0	242,796	0	5.00%	2,778
330.2	Pressure Tanks	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	953,849	7,634	0	961,483	0	5.00%	15,022
333	Services	0	0	0	0	0	5.00%	0
334	Meters and Meter Installations	226,367	11,759	0	238,126	0	5.00%	4,361
335	Hydrants	78,018	1,575	0	79,592	0	5.00%	2,589
336	Backflow Prevention Devices	0	0	0	0	0	5.00%	0
339	Other Plant and Misc. Equipment	69,166	0	0	69,166	0	5.00%	1,420
340	Office Furniture and Equipment	0	0	0	0	0	5.00%	0
340.1	Computer & Software	0	1,586	0	1,586	0	5.00%	40
341	Transportation Equipment	0	0	0	0	0	5.00%	0
342	Stores Equipment	0	0	0	0	0	5.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	5.00%	0
344	Laboratory Equipment	0	0	0	0	0	5.00%	0
345	Power Operated Equipment	0	0	0	0	0	5.00%	0
346	Communication Equipment	0	0	0	0	0	5.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	5.00%	0
348	Other Tangible Plant	0	0	0	0	0	5.00%	0
	<b>Subtotal</b>	<b>\$2,374,763</b>	<b>\$38,406</b>	<b>\$0</b>	<b>\$2,413,169</b>	<b>\$0</b>		<b>\$54,342</b>

Contribution(s) in Aid of Construction (Gross)	\$171,280
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$171,280</u>
Times: Proposed Amortization Rate	5.00%
<b>Amortization of CIAC</b>	<b>\$8,564</b>

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.

Berneil Water Company  
 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.	<b>Current and Accrued Assets</b>			
131	Cash		\$74,936	\$84,557
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		33,253	33,253
146	Notes Receivable from Associated Companies		295,033	300,429
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	<b>Total Current and Accrued Assets</b>		<b>\$403,222</b>	<b>\$418,240</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$2,374,763	\$2,413,169
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(2,054,530)	(2,107,918)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$320,233</b>	<b>\$305,251</b>
	<b>Total Assets</b>		<b>\$723,455</b>	<b>\$723,491</b>

**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

Berneil Water Company  
Annual Report  
Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$10,620	\$11,046
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		6,500	5,200
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	<b>Total Current Liabilities</b>		<b>\$17,120</b>	<b>\$16,246</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$27,341	\$23,725
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		61,160	53,510
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	<b>Total Deferred Credits</b>		<b>\$61,160</b>	<b>\$53,510</b>
	<b>Total Liabilities</b>		<b>\$105,621</b>	<b>\$93,481</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$25,000	\$25,000
211	Other Paid-In Capital		0	0
215	Retained Earnings		592,834	605,010
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>\$617,834</b>	<b>\$630,010</b>
	<b>Total Liabilities and Capital</b>		<b>\$723,455</b>	<b>\$723,491</b>

**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!

Berneil Water Company  
Annual Report  
Water Comparative Income Statement  
12/31/17

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	<b>Operating Revenue</b>		
461	Metered Water Revenue	664,462.57	658,157.76
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	-	374.44
	<b>Total Revenues</b>	<b>\$664,463</b>	<b>\$658,532</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	260,363.90	218,821.25
604	Employee Pensions and Benefits	0	0
610	Purchased Water	87,847	72,044
615	Purchased Power	107,489	105,274
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	3,110	8,744
620.2	Office Supplies and Expense	13,092	17,798
630	Contractual Services	30,621	25,633
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	4,622	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	4,878	4,542
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	48,447	40,478
642	Rental of Equipment	0	0
650	Transportation Expenses	6,295	5,006
657	Insurance - General Liability	7,204	7,234
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	6,044	8,378
403	Depreciation Expense (From Schedule AR4)	45,778	46,042
408	Taxes Other Than Income	6,348	1,598
408.11	Property Taxes	16,891	17,670
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$649,079</b>	<b>\$579,313</b>
	<b>Operating Income / (Loss)</b>	<b>\$15,384</b>	<b>\$79,219</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(3,248)	(3,248)
	<b>Total Other Income / (Expense)</b>	<b>(\$3,248)</b>	<b>(\$3,248)</b>
	<b>Net Income / (Loss)</b>	<b>\$12,136</b>	<b>\$75,971</b>

**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.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	6/11/1905	NA	NA	NA
Source of Loan	Paradise Valley	NA	NA	NA
ACC Decision No.		NA	NA	NA
Reason for Loan	Water Main	NA	NA	NA
Dollar Amt. Issued	\$86,137	NA	NA	NA
Amount Outstanding	\$19,287	NA	NA	NA
Date of Maturity	8/31/2019	NA	NA	NA
Interest Rate	6.00%	NA	NA	NA
Current Year Interest	\$3,248	NA	NA	NA
Current Year Principal	\$3,616	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$6,500
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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: Berneil Water Company  
 ADEQ Public Water System Number: 07-008

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)
55-627600	100	400	980	12	turbine	4	1955	<.001
55-627600	350	1,400	1,285	18	turbine	8	1969	<.001
55-551370	350	600	1,186	14	turbine	6	1987	<.001

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Purchase Camelback Golf Club	1,800	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
40		3
30		1
20		1

FIRE HYDRANTS	
Type	Quantity
Standard ***	94
Other	

STORAGE TANKS		
Capacity	Material	Quantity
100,000	Steel	2
135,000	Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
5,000	3

**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			5/8 X 3/4	
3.00			0.75	
4.00	PVC	630	1	467
5.00			1.5	21
6.00	PVC	53,210	Compound 2	
8.00	PVC	4,150	Turbine 2	
10.00			Compound 3	
12.00			Turbine 3	
4.00	ACP	3,650	Compound 4	3
6.00	ACP	28,290	Turbine 5	
6.00	DIP	6,280	Compound 6	
			Turbine 6	2
			6+	1

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

<b>TREATMENT EQUIPMENT:</b>	Gas Chlorinators
<b>STRUCTURES:</b>	Block Fences
<b>OTHER:</b>	

**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:		Berneil Water Company					
ADEQ Public Water System Number:		07-008					
Month	Number of Customers	Gallons Sold (thousands) <sup>1</sup>	Gallons Pumped (thousands) <sup>2</sup>	Gallons Purchased (thousands) <sup>3</sup>	Estimated Gallons Authorized Use (thousands) <sup>4</sup>	Purchased Power Expense <sup>5</sup>	Purchased Power (kWh) <sup>6</sup>
January	540	19,331	3,545	17,114	NA	NA	NA
February	541	18,259	2,480	17,370	NA	NA	NA
March	539	20,959	5,460	17,373	NA	NA	NA
April	540	29,590	9,369	22,068	NA	NA	NA
May	539	45,216	16,907	31,617	NA	NA	NA
June	539	49,974	19,676	31,120	NA	NA	NA
July	539	50,996	21,012	32,236	NA	NA	NA
August	539	55,082	22,029	34,956	NA	NA	NA
September	539	43,672	15,570	27,204	NA	NA	NA
October	538	41,864	22,305	35,190	NA	NA	NA
November	539	44,716	11,298	20,599	NA	NA	NA
December	539	26,619	9,103	18,653	NA	NA	NA
<b>Totals</b>		<b>446,278</b>	<b>158,752</b>	<b>305,500</b>	<b>0</b>	<b>\$0</b>	<b>0</b>

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

Does the system have chlorination treatment?  Yes

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

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  Yes  
 If yes, provide the GPCPD amount:  525

**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.

Berneil Water Company  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/17

ADEQ System No. :	07-008
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other (description):

--

<p><b>Instructions:</b> 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>
--

**Property Taxes**

Amount of actual property taxes paid during Calendar Year 2017 was

\$16,891

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.

Berneil Water Company  
Annual Report  
Verification and Sworn Statement (Taxes)  
12/31/17

RECEIVED

APR 27 2018

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa  
Name (owner or official) title: Bradley Folkman  
Company name: Berneil Water Company

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/17

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

Sworn Statement: 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]

signature of owner/official

480-966-5804

telephone no.

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

THIS

26th

DAY OF

Maricopa

(county name)

04 / 2018

(month) and (year)

MY COMMISSION EXPIRES

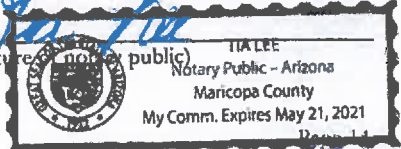
May 21, 2021

(date)

[Signature]

(signature)

notary public



TIA LEE

Notary Public - Arizona

Maricopa County

My Comm. Expires May 21, 2021

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APR 27 2018

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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: Bradley Folkman  
Company name: Berneil Water Company

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:

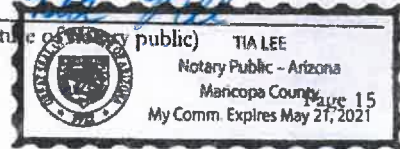
Arizona Intrastate Gross Operating Revenues Only (\$)  
\$725,354  
(The amount in the box above includes  
\$60,891 in sales taxes  
billed or collected)

[Signature]  
signature of owner/official  
480-966-5804  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Maricopa  
THIS 26th DAY OF 04/2018  
(month) and (year)

MY COMMISSION EXPIRES May 21, 2021  
(date)

[Signature]  
(signature of notary public) TIA LEE  
Notary Public - Arizona  
Maricopa County  
My Comm. Expires May 21, 2021



Verification and Sworn Statement (Residential Revenue)

RECEIVED

Verification:

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

County of (county name): Maricopa  
Name (owner or official) title: Bradley Folkman  
Company name: Berneil Water Company

APR 27 2018

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

FOR THE YEAR ENDING: 12/31/17

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

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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$722,291

(The amount in the box above includes

\$60,633 in sales taxes  
billed or collected)

*[Handwritten Signature]*

signature of owner/official

480-966-5804

telephone no.

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

Maricopa  
(county name)

THIS

21<sup>st</sup>

DAY OF

04/2018  
(month) and (year)

MY COMMISSION EXPIRES

21 May 21 2021  
(date)

*[Handwritten Signature]*  
(signature of Notary Public)

