

ANNUAL REPORT

Of

Company Name:
PO Box 350

Mailing Address: Chino Valley AZ
86323

Docket No.:
For the Year Ended:

RECEIVED

MAY 17 2017

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:

5-17-17

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Chino Meadows II Water Company
A Class Utility

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

2. Address:

P.O. Box 350			
City:	Chino Valley	State:	AZ
		Zip Code:	86323

3. Telephone Number: 928-717-2616

4. Date of Original Organization of Utility: 4/4/1979

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

Name: Sara Pena
Telephone No. : 928-717-2616
Address:

P.O Box 350			
City:	Chino Valley	State:	AZ
		Zip Code:	86323

Email: sara@leviegroupp.com

6. On-Site Manager:

Name: Paul Levie
Telephone No. : 928-717-2616
Address:

P.O Box 350			
City:	Chino Valley	State:	AZ
		Zip Code:	86323

Email: pdl@leviegroupp.com

7. Ownership: "C" Corporation

8. Counties Served: Yavapai

Revised 8-31-17

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OC/LD (OC less AD)
301	Organization	\$6,843	\$0	0	\$6,843	\$6,507	\$336
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	15,204	0	0	15,204	0	15,204
304	Structures and Improvements	44,339	0	0	44,339	39,658	4,681
305	Collecting & Improving Reservoirs	4,350	0	0	4,350	3,432	917
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	27,987	0	0	27,987	26,189	1,798
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	1,009	0	0	1,009	835	174
310	Power Generation Equipment	12,401	0	0	12,401	3,148	9,252
311	Pumping Equipment	53,226	9,809	0	63,035	48,185	14,849
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	6,915	0	0	6,915	6,661	254
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	36,415	0	0	36,415	35,727	688
330.2	Pressure Tanks	15,269	0	0	15,269	15,269	0
331	Transmission and Distribution Mains	304,942	0	0	304,942	234,860	70,081
333	Services	30,067	0	0	30,067	25,931	4,137
334	Meters and Meter Installations	90,680	0	0	90,680	90,680	0
335	Hydrants	12,042	0	0	12,042	9,652	2,390
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	16,728	0	0	16,728	12,684	4,044
340	Office Furniture and Equipment	6,534	0	0	6,534	54	6,480
340.1	Computer & Software	10,601	219	0	10,820	10,820	0
341	Transportation Equipment	55,820	0	0	55,820	53,490	2,330
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,633	328	0	1,961	1,034	927
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	30,461	0	0	30,461	21,149	9,312
346	Communication Equipment	17,200	0	0	17,200	13,476	3,724
347	Miscellaneous Equipment	3,975	0	0	3,975	1,789	2,186
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$804,639	\$10,356	\$0	\$814,995	\$661,229	\$153,765

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 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	\$6,843	\$0	0	\$6,843	\$6,843	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	15,204	0	0	15,204	0	15,204
304	Structures and Improvements	44,339	0	0	44,339	41,795	2,544
305	Collecting & Improving Reservoirs	4,350	0	0	4,350	4,153	197
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	27,448	0	0	27,448	27,306	142
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	1,009	0	0	1,009	1,009	0
310	Power Generation Equipment	12,401	0	0	12,401	3,091	9,310
311	Pumping Equipment	53,226	9,809	0	63,035	41,478	21,557
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	6,915	0	0	6,915	4,644	2,271
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	51,684	0	0	51,684	51,684	0
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	304,942	0	0	304,942	249,810	55,132
333	Services	30,067	0	0	30,067	27,298	2,769
334	Meters and Meter Installations	90,680	0	0	90,680	71,688	18,992
335	Hydrants	12,042	0	0	12,042	11,978	64
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	16,728	0	0	16,728	10,110	6,618
340	Office Furniture and Equipment	9,346	0	0	9,346	8,456	890
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	96,569	0	0	96,569	64,148	32,421
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,633	328	0	1,961	1,015	945
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	31,461	0	0	31,461	26,779	4,682
346	Communication Equipment	36,036	219	0	36,255	21,769	14,485
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$852,921	\$10,356	\$0	\$863,277	\$675,055	\$188,222

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.

Chino Meadows II Water Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/16

Revised 8-31-17

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	\$6,843	\$0	\$0	\$6,843	\$6,843	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	15,204	0	0	15,204	15,204	0.00%	0
304	Structures and Improvements	44,339	0	0	44,339	0	3.33%	1,476
305	Collecting & Improving Reservoirs	4,350	0	0	4,350	0	2.50%	109
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	27,987	0	0	27,987	9,096	3.33%	629
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	1,009	0	0	1,009	0	2.00%	20
310	Power Generation Equipment	12,401	0	0	12,401	0	5.00%	620
311	Pumping Equipment	53,226	9,809	0	63,035	46,268	12.50%	1,483
320	Water Treatment Equipment	0	0	0	0	0	-	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	6,915	0	0	6,915	6,406	20.00%	102
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	-	0
330.1	Storage Tanks	36,415	0	0	36,415	15,120	2.22%	473
330.2	Pressure Tanks	15,269	0	0	15,269	15,269	0.00%	0
331	Transmission and Distribution Mains	304,942	0	0	304,942	167,988	2.00%	2,739
333	Services	30,067	0	0	30,067	7,181	3.33%	762
334	Meters and Meter Installations	90,680	0	0	90,680	90,680	2.81%	0
335	Hydrants	12,042	0	0	12,042	0	2.00%	241
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	16,728	0	0	16,728	1,305	6.67%	1,029
340	Office Furniture and Equipment	6,534	0	0	6,534	0	6.67%	436
340.1	Computer & Software	10,601	219	0	10,820	0	16.10%	1,724
341	Transportation Equipment	55,820	0	0	55,820	55,820	0.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,633	328	0	1,961	0	5.00%	90
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	30,461	0	0	30,461	18,377	5.00%	604
346	Communication Equipment	17,200	0	0	17,200	0	10.00%	1,720
347	Miscellaneous Equipment	3,975	0	0	3,975	0	10.00%	398
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$804,639	\$10,356	\$0	\$814,995	\$455,556		\$14,654

Contribution(s) in Aid of Construction (Gross) \$37,608
 Less: Non Amortizable Contribution(s) 0
 Fully Amortized Contribution(s) 0
 Amortizable Contribution(s) \$37,608
 Times: Proposed Amortization Rate 4.08%
Amortization of CIAC \$1,533

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.

Chino Meadows II Water Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/16

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$6,843	\$0	\$0	\$6,843	\$6,843	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	15,204	0	0	15,204	15,204	0.00%	0
304	Structures and Improvements	44,339	0	0	44,339	0	4.28%	1,897
305	Collecting & Improving Reservoirs	4,350	0	0	4,350	0	4.05%	176
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	27,448	0	0	27,448	0	3.17%	870
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	1,009	0	0	1,009	0	1.29%	13
310	Power Generation Equipment	12,401	0	0	12,401	0	5.00%	620
311	Pumping Equipment	53,226	9,809	0	63,035	0	3.86%	2,244
320	Water Treatment Equipment	0	0	0	0	0	-	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	6,915	0	0	6,915	0	3.04%	210
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	-	0
330.1	Storage Tanks	51,684	0	0	51,684	0	1.68%	866
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	304,942	0	0	304,942	0	1.80%	5,493
333	Services	30,067	0	0	30,067	0	3.48%	1,045
334	Meters and Meter Installations	90,680	0	0	90,680	0	2.81%	2,546
335	Hydrants	12,042	0	0	12,042	0	3.32%	400
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	16,728	0	0	16,728	0	4.61%	771
340	Office Furniture and Equipment	9,346	0	0	9,346	0	3.12%	292
340.1	Computer & Software	0	0	0	0	0	0.00%	0
341	Transportation Equipment	96,569	0	0	96,569	0	5.16%	4,986
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,633	328	0	1,961	0	4.46%	80
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	31,461	0	0	31,461	0	1.09%	342
346	Communication Equipment	36,036	219	0	36,255	0	4.90%	1,770
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$852,921	\$10,356	\$0	\$863,277	\$22,047		\$24,622

Contribution(s) in Aid of Construction (Gross)	\$31,478
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	2,631
Amortizable Contribution(s)	\$28,847
Times: Proposed Amortization Rate	2.93%
Amortization of CIAC	\$844
Less: Amortization of CIAC	\$844
DEPRECIATION EXPENSE	\$23,778

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.

Chino Meadows II Water Company
 Annual Report
 Balance Sheet Assets
 12/31/16

Revised 8-31-17

Balance Sheet Assets			
	Assets	Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current and Accrued Assets		
131	Cash	\$4,855	\$6,469
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	39,042	46,732
146	Notes Receivable from Associated Companies	3,474	3,880
151	Plant Material and Supplies	3,024	3,024
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	Total Current and Accrued Assets	\$50,395	\$60,104
Account No.	Fixed Assets		
101	Utility Plant in Service*	\$851,136	\$814,995
103	Property Held for Future Use	0	525
105	Construction Work in Progress	0	0
108	Accumulated Depreciation (enter as negative)*	(650,432)	(661,229)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility	0	0
	Total Fixed Assets	\$200,704	\$154,290
	Total Assets	\$251,099	\$214,395

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

Chino Meadows II Water Company
 Annual Report
 Balance Sheet Assets
 12/31/16

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current and Accrued Assets			
131	Cash		\$4,855	\$6,469
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		39,042	46,732
146	Notes Receivable from Associated Companies		3,474	3,880
151	Plant Material and Supplies		3,024	3,024
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$50,395	\$60,105
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$851,136	\$863,277
103	Property Held for Future Use		0	525
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(650,432)	(675,055)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$200,704	\$188,747
	Total Assets		\$251,099	\$248,851

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

Chino Meadows II Water Company
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Revised 8-31-17

Balance Sheet Liabilities and Owners Equity				
Account No.	Liabilities		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Current Liabilities				
231	Accounts Payable		\$0	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		59,617	22,166
235	Customer Deposits		11,292	10,682
236	Accrued Taxes		7,978	5,598
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		831	1,419
	Total Current Liabilities		\$79,717	\$39,864
Long Term Debt				
224	Long Term Debt (Notes and Bonds)		\$0	\$0
Deferred Credits				
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		9,605	4,137
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		31,478	37,608
272	Less: Amortization of Contributions		(2,631)	(16,792)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$38,452	\$24,953
	Total Liabilities		\$118,169	\$64,817
Capital Accounts				
201	Common Stock Issued		\$8,597	\$8,597
211	Other Paid-In Capital		80,266	91,875
215	Retained Earnings		127,504	(64,469)
218	Proprietary Capital (Sole Props and Partnerships)		(83,438)	113,574
	Total Capital		\$132,930	\$149,577
	Total Liabilities and Capital		\$251,099	\$214,395

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!

Chino Meadows II Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current Liabilities			
231	Accounts Payable		\$0	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		59,617	33,995
235	Customer Deposits		11,292	10,682
236	Accrued Taxes		7,978	5,598
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		831	1,419
	Total Current Liabilities		\$79,717	\$51,694
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		9,605	4,137
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		31,478	31,478
272	Less: Amortization of Contributions		(2,631)	(2,631)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$38,452	\$32,984
	Total Liabilities		\$118,169	\$84,678
	Capital Accounts			
201	Common Stock Issued		\$8,597	\$8,597
211	Other Paid-In Capital		80,266	80,266
215	Retained Earnings		127,504	115,317
218	Proprietary Capital (Sole Props and Partnerships)		(83,438)	(40,006)
	Total Capital		\$132,930	\$164,174
	Total Liabilities and Capital		\$251,099	\$248,851

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!

Revised 8-31-17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	Operating Revenue		
461	Metered Water Revenue	\$349,752	\$336,022
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	9,217	11,748
	Total Revenues	\$358,969	\$347,769
	Operating Expenses		
601	Salaries and Wages	\$151,958	\$176,492
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	66
615	Purchased Power	26,598	27,415
618	Chemicals	758	379
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	12,324	12,130
620.2	Office Supplies and Expense	21,186	19,611
630	Contractual Services	12,199	10,381
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	834	6,395
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	13,200	13,200
642	Rental of Equipment	1,119	530
650	Transportation Expenses	24,525	21,874
657	Insurance - General Liability	8,232	8,885
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	7,230	32,313
675	Miscellaneous Expense	9,067	14,341
403	Depreciation Expense (From Schedule AR4)	13,121	7,714
408	Taxes Other Than Income	(1,499)	18
408.11	Property Taxes	14,846	7,381
409	Income Taxes	0	0
	Total Operating Expenses	\$315,699	\$359,125
	Operating Income / (Loss)	\$43,270	(\$11,356)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	(18)	0
427	Interest (Expense)	(501)	(779)
	Total Other Income / (Expense)	(\$519)	(\$779)
	Net Income / (Loss)	\$42,751	(\$12,135)

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.

Chino Meadows II Water Company
Annual Report
Water Comparative Income Statement
12/31/16

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year	Last Year
		01/01/2016 - 12/31/2016	01/01/2015 - 12/31/2015
	Operating Revenue		
461	Metered Water Revenue	\$349,752	\$336,022
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	9,217	11,748
	Total Revenues	\$358,969	\$347,769
	Operating Expenses		
601	Salaries and Wages	\$151,958	\$176,492
604	Employee Pensions and Benefits		
610	Purchased Water		66
615	Purchased Power	26,598	27,415
618	Chemicals	758	379
620	Materials and Supplies		
620.1	Repairs and Maintenance	12,341	12,130
620.2	Office Supplies and Expense	21,186	19,611
630	Contractual Services	12,199	10,381
631	Contractual Services - Engineering		
632	Contractual Services - Accounting		
633	Contractual Services - Legal		
634	Contractual Services - Management Fees		
635	Contractual Services - Water Testing	834	6,395
636	Contractual Services - Other		
640	Rents		
641	Rental of Building/Real Property	13,200	13,200
642	Rental of Equipment	1,119	530
650	Transportation Expenses	24,508	21,874
657	Insurance - General Liability	8,232	8,885
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate	7,230	32,313
675	Miscellaneous Expense	9,238	14,820
403	Depreciation Expense (From Schedule AR4)	23,778	7,714
408	Taxes Other Than Income	1,499	18
408.11	Property Taxes	14,846	7,381
409	Income Taxes		
	Total Operating Expenses	\$329,524	\$359,605
	Operating Income / (Loss)	\$29,445	(\$11,835)
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		779
	Total Other Income / (Expense)	\$0	\$779
	Net Income / (Loss)	\$29,445	(\$11,056)

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.

Chino Meadows II Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/16

Supplemental Financial Data (Long-Term Debt)				
	Loan # 1	Loan # 2	Loan # 3	Loan # 4
Date Issued	None	None	None	None
Source of Loan	None	None	None	None
ACC Decision No.	None	None	None	None
Reason for Loan	None	None	None	None
Dollar Amt. Issued	None	None	None	None
Amount Outstanding	None	None	None	None
Date of Maturity	None	None	None	None
Interest Rate	None	None	None	None
Current Year Interest	None	None	None	None
Current Year Principal	None	None	None	None

Meter Deposit Balance at Test Year End:	\$10,682
---	----------

Meter Deposits Refunded During the Test Year:	\$10,964
---	----------

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.

Chino Meadows II Water Company
 Annual Report
 Water Utility Plant Description
 12/31/16

Water Utility Plant Description

Name of the System: Chino Meadows II
 ADEQ Public Water System Number: AZ04-13-079

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)
55-552320	15	225	355	10	Submersible	3	1995	0.0062
55-613770	20	250	450	12	Submersible	3	1982	0.0062

OTHER WATER SOURCES

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

BOOSTER PUMPS

Horsepower	GPM	Quantity
15	unknown	4
25	unknown	1

FIRE HYDRANTS

Type	Quantity
Standard ***	7
Other	3

STORAGE TANKS

Capacity	Material	Quantity
67,000	Steel	1
20,000	Steel	1
10,000	Steel	2

PRESSURE/BLADDER TANKS

Capacity	Quantity
5,000	2

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)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
2			5/8 X 3/4	909
3	PVC	664	3/4	
4	PVC	27,902	1	
5			1 1/2	
6	PVC & DIP	50,481	Compound 2	
8			Turbine 2	
10			Compound 3	
12			Turbine 3	
			Compound 4	
			Turbine 5	
			Compound 6	
			Turbine 6	
			6+	

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

TREATMENT EQUIPMENT:	(2) Chlorination Pump Systems
-----------------------------	-------------------------------

STRUCTURES:	(1) Shop Building Quonset Hut; Metal 26'x38', (2) Well House Structures; Wood 8'x8' and 6'x15', (1) Application Shed; Wood 8'x8', (2) Pump/Pressure Tank Buildings; Wood 10'x12' and Block 16'x20', (1) Storage Building; Block 20'x20'
--------------------	---

OTHER:	
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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. Copy and paste this sheet as many times as is necessary.

Chino Meadows II Water Company
 Annual Report
 Water Use Data Sheet
 12/31/16

Water Use Data Sheet					
Name of the System:		Chino Meadows II			
ADEQ Public Water System Number:		AZ04-13-079			
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴
January	898	3,773	4,726	0	4,024
February	896	3,295	4,357	0	3,744
March	893	4,455	5,863	0	5,265
April	900	4,138	5,272	0	4,381
May	900	4,149	5,236	0	4,401
June	905	6,830	7,801	0	7,062
July	894	5,347	6,667	0	5,588
August	896	5,349	6,431	0	5,566
September	907	4,257	5,422	0	4,549
October	910	3,887	4,881	0	4,138
November	910	4,157	4,249	0	4,198
December	909	5,037	6,299	0	5,276
Totals		54,674	67,205	0	58,192

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 relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

- 1 Gallons sold - Total gallons from customer meters, 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.

Chino Meadows II Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

ADEQ System No. :	AZ04-13-079
-------------------	-------------

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	23	0
February	0	10	0
March	0	10	0
April	0	13	0
May	0	18	0
June	0	4	0
July	0	1	0
August	0	7	0
September	0	4	0
October	0	32	0
November	0	45	0
December	0	13	0
Total	0	180	0

Other (description):

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.

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2016 was	\$14,846

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.

RECEIVED

APR 21 2017

Verification and Statement (Taxes)

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Yavapai
Name (owner or official) title: Paul D. Levie
Company name: Chino Meadows II Water Company

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

FOR THE YEAR ENDING: 12/31/16

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

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

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

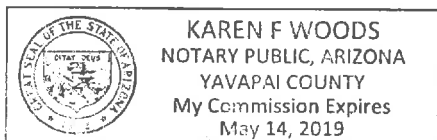
[Signature]
signature of owner/official

928-717-2616
telephone no.

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

THIS 17th DAY OF April 2017
(month) and (year)

MY COMMISSION EXPIRES 5/14/19
(date)



[Signature]
signature of notary public

RECEIVED

APR 21 2017

Verification and Statement

Verification:

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

ARIZONA CORP COMMISSION
REGISTRATION DIVISION - DIRECTOR'S OFFICE

County of (county name): Yavapai

Name (owner or official) title: Paul D. Levie

Company name: Chino Meadows II Water Company

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

FOR THE YEAR ENDING: 12/31/16

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

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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$358,969

(The amount in the box above includes

\$43,651 in sales taxes
billed or collected)

Paul D. Levie
signature of owner/official

928-717-2616

telephone no.

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

THIS

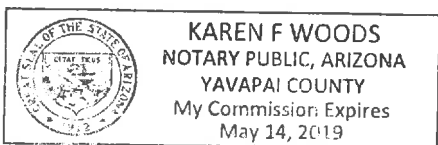
17th

DAY OF

Yavapai
(county name)
April 2017
(month) and (year)

MY COMMISSION EXPIRES

5/14/19
(date)



Karen F Woods
(signature of notary public)

RECEIVED

Verification and Statement (Residential Revenue)

Verification:

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

APR 21 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION DIRECTOR'S OFFICE

County of (county name): Yavapai
Name (owner or official) title: Paul D. Levie
Company name: Chino Meadows II Water Company

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

FOR THE YEAR ENDING: 12/31/16

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

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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$358,969

(The amount in the box above includes

\$43,651 in sales taxes
billed or collected)

Paul D. Levie
signature of owner/official


928-717-2616
telephone no.

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

Yavapai
(county name)

THIS 17th DAY OF April 2017
(month) and (year)

MY COMMISSION EXPIRES 5/14/19
(date)

 KAREN F WOODS
NOTARY PUBLIC, ARIZONA
YAVAPAI COUNTY
My Commission Expires
May 14, 2019

Karen F Woods
(signature of notary public)