

ANNUAL REPORT

Of

Company Name:
12725 W. Indian School Rd., Ste. D101

Mailing Address: Avondale AZ
85392

Docket No.: W-02060A
For the Year Ended:

WATER UTILITY

To

Arizona Corporation Commission

RECEIVED
JUN 11 2019
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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:

6-25-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Cordes Lakes 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	3,500.00	\$0	\$0	3,500.00	\$0	3,500.00
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	6,657	673	300	7,030	3,720	3,310
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lakes, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	173,970	0	0	173,970	118,734	55,236
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	104,188	10,175	3,041	111,322	58,508	52,813
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	1,433	509	300	1,642	858	784
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	141,632	291	0	141,923	90,486	51,437
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	585,060	2,257	500	586,816	566,194	20,622
333	Services	53,359	12,884	2,000	64,243	15,306	48,937
334	Meters and Meter Installations	78,163	4,566	2,000	80,729	58,078	22,651
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	60,550	0	0	60,550	58,632	1,918
340	Office Furniture and Equipment	6,527	0	0	6,527	4,717	1,810
340.1	Computer & Software	1,437	674	0	2,112	799	1,313
341	Transportation Equipment	62,342	0	0	62,342	62,342	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	1,904	0	0	1,904	524	1,380
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	2,167	0	0	2,167	978	1,189
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,282,889	\$32,029	\$8,141	\$1,306,776	\$1,039,876	\$266,900

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.

Cordes Lakes Water Company
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	\$3,500	\$0	\$0	\$3,500	\$3,500	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0.00%	0
304	Structures and Improvements	6,657	673	300	7,030	1,957	3.33%	158
305	Collecting & Improving Reservoirs	0	0	0	0	0	2.50%	0
306	Lakes, River, Canal Intakes	0	0	0	0	0	2.50%	0
307	Wells and Springs	173,970	0	0	173,970	15,370	3.33%	5,281
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	0	0	0	0	0	5.00%	0
311	Pumping Equipment	104,188	10,175	3,041	111,322	5,547	12.50%	12,586
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	1,433	509	300	1,642	0	20.00%	307
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	0.00%	0
330.1	Storage Tanks	141,632	291	0	141,923	47,174	2.22%	2,100
330.2	Pressure Tanks	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	585,060	2,257	500	586,816	560,995	2.00%	494
333	Services	53,359	12,884	2,000	64,243	11,350	3.33%	1,547
334	Meters and Meter Installations	78,163	4,566	2,000	80,729	2,239	8.33%	5,071
335	Hydrants	0	0	0	0	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	60,550	0	0	60,550	54,149	6.67%	427
340	Office Furniture and Equipment	6,527	0	0	6,527	0	6.67%	435
340.1	Computer & Software	1,437	674	0	2,112	0	20.00%	367
341	Transportation Equipment	62,342	0	0	62,342	35,623	20.00%	671
342	Stores Equipment	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	5.00%	0
344	Laboratory Equipment	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	1,904	0	0	1,904	0	5.00%	95
346	Communication Equipment	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	2,167	0	0	2,167	582	10.00%	158
348	Other Tangible Plant	0	0	0	0	0	5.00%	0
	Subtotal	\$1,282,889	\$32,029	\$8,141	\$1,306,776	\$738,486		\$29,699

Contribution(s) in Aid of Construction (Gross)	76,247.00
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$76,247
Times: Proposed Amortization Rate	5.23%
Amortization of CIAC	3,983.76
Less: Amortization of CIAC	\$3,984
DEPRECIATION EXPENSE	\$25,715

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.

Cordes Lakes Water Company
 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		\$1,276	\$17,712
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		29,304	40,960
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		8,110	11,134
174	Miscellaneous Current and Accrued Assets		0	900
	Total Current and Accrued Assets		\$38,689	\$70,706
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,282,889	\$1,306,776
103	Property Held for Future Use		0	0
105	Construction Work in Progress		52,834	301,363
108	Accumulated Depreciation (enter as negative)*		(1,018,170)	(1,039,876)
121	Non-Utility Property		76,099	76,099
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$393,652	\$644,363
	Total Assets		\$432,341	\$715,069

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

Cordes Lakes Water Company
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		\$26,555	\$105,259
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		16,756	16,185
236	Accrued Taxes		8,023	10,081
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	2,801
	Total Current Liabilities		\$51,335	\$134,326
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$29,660	(\$2,328)
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		9,654	16,993
253	Other Deferred Credits		0	3,305
271	Contributions in Aid of Construction		76,247	300,715
272	Less: Amortization of Contributions		(45,720)	(50,045)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$40,181	\$270,967
	Total Liabilities		\$121,176	\$402,965
	Capital Accounts			
201	Common Stock Issued		\$100,000	\$100,000
211	Other Paid-In Capital		284,317	288,341
215	Retained Earnings		(73,152)	(76,237)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$311,165	\$312,104
	Total Liabilities and Capital		\$432,341	\$715,069

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!

Cordes Lakes Water Company
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	\$543,702	\$487,721
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	13,294	12,632
474	Other Water Revenue	0	0
	Total Revenues	\$556,996	\$500,354
	Operating Expenses		
601	Salaries and Wages	220,480.86	\$213,381
604	Employee Pensions and Benefits	33,626	30,572
610	Purchased Water	13,393	6,930
615	Purchased Power	41,097	39,453
618	Chemicals	2,103	1,301
620	Materials and Supplies	3,143	3,911
620.1	Repairs and Maintenance	4,689	5,151
620.2	Office Supplies and Expense	7,815	5,427
630	Contractual Services	0	0
631	Contractual Services -Engineering	1,640	3,924
632	Contractual Services - Accounting	10,974	10,256
633	Contractual Services - Legal	2,196	2,187
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	4,223	5,552
636	Contractual Services - Other	43,203	39,933
640	Rents	13,200	13,200
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	20,332	13,258
657	Insurance - General Liability	10,223	15,485
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	13,010	9,561
670	Bad Debt Expense	5,630	5,500
675	Miscellaneous Expense	5,633	3,243
403	Depreciation Expense (From Schedule AR4)	25,715	28,771
408	Taxes Other Than Income	15,670	15,341
408.11	Property Taxes	21,391	20,765
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	2,572	0
	Total Operating Expenses	\$522,007	\$493,152
	Operating Income / (Loss)	\$34,989	\$7,201
	Other Income / (Expense)		
419	Interest and Dividend Income	0.52	\$0
421	Non-Utility Income	1,101	0
433	Extraordinary Income	4,757	0
426	Miscellaneous Non-Utility (Expense)	(26,777)	(775)
427	Interest (Expense)	0	0
434	Extraordinary Deductions	(8,785)	0
	Total Other Income / (Expense)	(29,702)	(775)
	Net Income / (Loss)	\$5,287	\$6,426

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.

Cordes Lakes Water Company
 Annual Report
 Full time equivalent employees
 12/31/18

Full time equivalent employees

	Direct Company	Outside service	Total
President	0.00	0.5	0.5
Vice-president	0.00	0.0	0.0
Manager	0.00	0.0	0.0
Engineering Staff	0.00	0.0	0.0
System Operator(s)	3.00	0.0	3.0
Meter reader	0.00	0.0	0.0
Customer Service	1.00	0.0	1.0
Accounting	0.00	0.0	0.0
Business Office	0.00	0.5	0.5
Rates Department	0.00	0.0	0.0
Administrative Staff	0.00	0.0	0.0
Other	0.00	0.0	0.0
Total	4.00	1.0	5.0

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.

Cordes Lakes Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/18

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	9/22/2017	NA	NA	NA
Source of Loan	WIFA	NA	NA	NA
ACC Decision No.	76334	NA	NA	NA
Reason for Loan	System Improve	NA	NA	NA
Dollar Amt. Issued	\$0	NA	NA	NA
Amount Outstanding	(\$2,328)	NA	NA	NA
Date of Maturity	10/1/2037	NA	NA	NA
Interest Rate	3.48%	NA	NA	NA
Current Year Interest	\$0	NA	NA	NA
Current Year Principal	(\$2,328)	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$16,185
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Meter Deposits Refunded During the Test Year:	\$12,096
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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.

Well and Water Usage

Name of the System: CORDES LAKE WATER COMPANY									
ADEQ Public Water System Number: AZ0413023									
ADWR PCC Number: 91-000616.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Meter Size (inches)	How measured:	Active
55-609346 (1)	7.5	65	470	12	submersible	1969	3	Metered	Yes
55-518196 (2)	7.5	95	380	8	submersible	1987	3	Metered	Yes
55-609347 (4)	7.5	94	500	12	submersible	1968	3	Metered	Yes
55-565855 (5)	10	65	343	10	submersible	1998	3	Metered	Yes
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Name of system water delivered to: _____
 ADWR PCC Number: _____
 Source of water delivered to another system: _____

Name of system water received from: _____
 ADWR PCC Number: _____
 Source of water received: _____
 Well registry 55# (55-XXXXXX): _____

Month	Water withdrawn (acre ft) ¹	Water sold (acre ft) ²	Water delivered (sold) to other systems (acre ft) ³	Water received (purchased) from other systems (acre ft) ⁴	Estimated authorized use (acre ft) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	16.68	10.67	0	0	N/A	N/A	N/A
February	16.49	13.80	0	0	N/A	N/A	N/A
March	17.89	11.97	0	0	N/A	N/A	N/A
April	20.78	14.90	0	0	N/A	N/A	N/A
May	22.07	15.15	0	0	N/A	N/A	N/A
June	24.28	20.61	0	0	N/A	N/A	N/A
July	29.96	14.63	0	0	N/A	N/A	N/A
August	27.08	15.21	0	0	N/A	N/A	N/A
September	22.21	14.21	0	0	N/A	N/A	N/A
October	16.59	12.99	0	0	N/A	N/A	N/A
November	16.61	14.13	0	0	N/A	N/A	N/A
December	17.30	10.90	0	0	N/A	N/A	N/A
Totals	247.942	169.181	0.000	0.000	0.000	0.000	0.000

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 NA

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 Water withdrawn - Total acre feet of water withdrawn from pumped sources.
 2 Water sold - Total acre feet from customer meters, and other sales such as construction water.
 3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.
 4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.
 5 Estimated authorized use - Total estimated acre feet from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
 6 Enter the total purchased power costs for the power meters associated with this system.
 7 Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description

Name of the System:	CORDES LAKE WATER COMPANY	
ADEQ Public Water System Number:	AZ0413023	
ADWR PCC Number:	91-000616.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC	168,000
8.00	PVC	234,000
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA

CUSTOMER METERS	
Size (inches)	Quantity
0.75	1,470
1	7
2	2
3	4
NA	NA
NA	NA
NA	NA
NA	NA
NA	NA
NA	NA
NA	NA
NA	NA
NA	NA
NA	NA
NA	NA
NA	NA
NA	NA
NA	NA
NA	NA

SERVICE LINES	
Material	Percent of system
Black poly	100%
NA	NA
NA	NA
NA	NA
NA	NA

BOOSTER PUMPS			
Horsepower	GPM		Quantity
2.5		N/A	1
5		N/A	5
7.5		N/A	8
10		N/A	2

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS			
Capacity (gallons)	Material		Quantity
16,000		Steel	1
30,000		Steel	2
45,000		Steel	2
100,000		Steel	1
NA		NA	NA
NA		NA	NA

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
3,000	Steel	1
5,000	Steel	4
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA

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:	Chlorinators all wells.
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STRUCTURES:	8' x8' Wood Pump House & Fence at Well 1. 8' x8' Block Pump House & Fence at Well 2. 10' x12' Wood Pump House & Fence at Well 3 (out of service). 12' x12' Block Pump House & Fence at Well 4. 8' x8' Wood Pump House & Fence at Well 5. Fencing around Booster Stations 1,2 and 3
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OTHER:	None
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<p>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.</p>

Customer and Other Information	
Name of the System:	CORDES LAKE WATER COMPANY
ADEQ Public Water System Number:	AZ0413023
ADWR PCC Number:	91-000616.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	1,325	0	27	0	0
February	1,320	0	27	0	0
March	1,322	0	27	0	0
April	1,320	0	27	0	0
May	1,327	0	27	0	0
June	1,316	0	27	0	0
July	1,319	0	27	0	0
August	1,318	0	27	0	0
September	1,320	0	27	0	0
October	1,324	0	27	0	0
November	1,322	0	27	0	0
December	1,317	0	27	0	0

total 1354

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.

Company	Cordes Lakes Water Company	
Docket No.:	W-02060A	
Name of the System:	CORDES LAKE WATER COMPANY	
ADEQ Public Water System Number:	AZ0413023	
ADWR PCC Number:	91-000616.0000	

2018 Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	16	0
February	0	17	0
March	0	10	0
April	0	11	0
May	0	21	0
June	0	13	0
July	0	17	0
August	0	17	0
September	0	13	0
October	0	12	0
November	0	19	0
December	0	15	0
Total	0	181	0

Other (description): N/A

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	
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Amount of actual property taxes paid during Calendar Year 2018 was	21,390.60
--	-----------

If no property taxes paid, explain why.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: Matthew Garlick, President
Company name: Cordes Lakes Water Company

RECEIVED
MAY 20 2019
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.

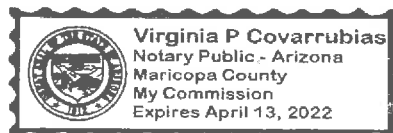
Matthew Garlick
signature of owner/official

623-935-9367
telephone no.

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

THIS 8TH DAY OF May 2019
(month) and (year)

MY COMMISSION EXPIRES April 13, 2022
(date)



Virginia P. Covarrubias
(signature of notary public)

Verification and Sworn Statement

RECEIVED

Verification:

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

County of (county name):

Maricopa

Name (owner or official) title:

Matthew Garlick, President

Company name:

Cordes Lakes Water Company

MAY 20 2019

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: 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 (\$)

595,954.15

(The amount in the box above includes

35,653.38

in sales taxes
billed or collected)

Matthew Garlick
signature of owner/official

623-935-9367

telephone no.

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

Maricopa

(county name)

THIS

8th

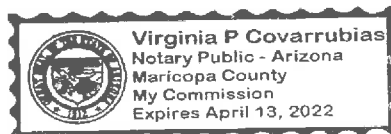
DAY OF

May 2019

(month) and (year)

MY COMMISSION EXPIRES

April 13, 2022
(date)



Virginia P. Covarrubias
(signature of notary public)

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: Matthew Garlick, President
Company name: Cordes Lakes Water Company

RECEIVED
MAY 20 2019
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: 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 (\$)

571,631.57

(The amount in the box above includes

34,146.62 in sales taxes
billed or collected)

Matthew Garlick
signature of owner/official

623-935-9367
telephone no.

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

Maricopa
(county name)

THIS

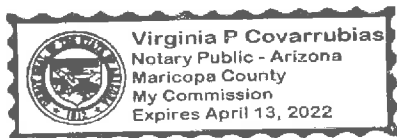
8th

DAY OF

May, 2019
(month) and (year)

MY COMMISSION EXPIRES

April 13, 2022
(date)



Virginia P. Covarrubias
(signature of notary public)