

ANNUAL REPORT

Of

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

Mailing Address: Avondale AZ
85392

Docket No.: W-02060A
For the Year Ended: 12/31/19

**RECEIVED
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4/23/2020, 04:36 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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: Original Filing
Application Date: 4/15/2020

ARIZONA CORPORATION COMMISSION
 WATER UTILITY ANNUAL REPORT
 Cordes Lakes Water Company
 A Class Utility

For the Calendar Year Ended:

Primary Address:
 City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

Name:
 Telephone No. :
 Address:
 City: State: Zip Code:
 Email:

Name:
 Telephone No. :
 Address:
 City: State: Zip Code:
 Email:

Name:
 Telephone No. :
 Address:
 City: State: Zip Code:
 Email:

Name:
 Telephone No. :
 Address:
 City: State: Zip Code:
 Email:

Name:
 Telephone No. :
 Address:
 City: State: Zip Code:
 Email:

Ownership:

Counties Served:

Important changes during the year

No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	NA

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	NA

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)
101.2	Operating Leases	\$0	\$0	\$0	\$0	\$0	\$0
301	Organization	3,500	948,302	0	951,802	0	951,802
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	7,030	0	0	7,030	3,889	3,141
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	173,970	0	0	173,970	124,015	49,955
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	111,322	0	0	111,322	71,720	39,602
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	1,642	0	0	1,642	1,153	489
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	141,923	0	0	141,923	92,589	49,334
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	586,816	0	0	586,816	566,711	20,106
333	Services	64,243	0	0	64,243	17,068	47,175
334	Meters and Meter Installations	80,729	545	0	81,274	61,358	19,916
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	59,059	1,491
340	Office Furniture and Equipment	6,527	0	0	6,527	6,377	149
340.1	Computer & Software	2,112	0	0	2,112	0	2,112
341	Transportation Equipment	62,342	8,246	0	70,588	62,342	8,246
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	619	1,285
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	2,167	0	0	2,167	1,137	1,030
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,306,776	\$957,093	\$0	\$2,263,869	\$1,068,035	\$1,195,834

Cordes Lakes Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/19

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	Depreciable Plant	Depreciation Percentages	Depreciation Expense
101.2	Operating Leases	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
301	Organization	3,500	948,302	0	951,802	3,500	0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0	0.00%	0
304	Structures and Improvements	7,030	0	0	7,030	1,957	5,073	3.33%	169
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	0
307	Wells and Springs	173,970	0	0	173,970	15,370	158,600	3.33%	5,281
308	Infiltration Galleries	0	0	0	0	0	0	6.67%	0
309	Supply Mains	0	0	0	0	0	0	2.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	5.00%	0
311	Pumping Equipment	111,322	0	0	111,322	5,780	105,542	12.50%	13,193
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	1,642	0	0	1,642	0	1,642	20.00%	328
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	47,174	(47,174)	0.00%	0
330.1	Storage Tanks	141,923	0	0	141,923	0	141,923	2.22%	3,151
330.2	Pressure Tanks	0	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	586,816	0	0	586,816	560,995	25,821	2.00%	516
333	Services	64,243	0	0	64,243	11,350	52,893	3.33%	1,761
334	Meters and Meter Installations	80,729	545	0	81,274	42,533	38,741	8.33%	3,204
335	Hydrants	0	0	0	0	0	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	60,550	0	0	60,550	54,149	6,401	6.67%	427
340	Office Furniture and Equipment	6,527	0	0	6,527	0	6,527	6.67%	435
340.1	Computer & Software	2,112	0	0	2,112	0	2,112	20.00%	422
341	Transportation Equipment	62,342	8,246	0	70,588	62,342	8,246	20.00%	825
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	5.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	1,904	0	0	1,904	0	1,904	5.00%	95
346	Communication Equipment	0	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	2,167	0	0	2,167	582	1,585	10.00%	158
348	Other Tangible Plant	0	0	0	0	0	0	5.00%	0
	Subtotal	\$1,306,776	\$957,093	\$0	\$2,263,869	\$805,733	\$509,834		\$29,967

Contribution(s) in Aid of Construction (Gross)	76,247.00
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$76,247</u>
Times: Proposed Amortization Rate	5.88%
Amortization of CIAC	\$4,482

Less: Amortization of CIAC \$4,482

DEPRECIATION EXPENSE **\$25,485**

Cordes Lakes Water Company
Annual Report
Balance Sheet Assets
12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$17,712	\$142,258
134	Working Funds		0	3,904
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		40,960	12,058
146	Notes Receivable from Associated Companies		0	89
151	Plant Material and Supplies		0	0
162	Prepayments		11,134	15,137
174	Miscellaneous Current and Accrued Assets		900	46,191
	Total Current and Accrued Assets		\$70,706	\$219,635
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,306,776	\$2,263,869
103	Property Held for Future Use		0	76,099
105	Construction Work in Progress		301,363	1,861,413
108	Accumulated Depreciation (enter as negative)*		(1,039,876)	(1,068,035)
121	Non-Utility Property		76,099	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$644,363	\$3,133,346
	Total Assets		\$715,069	\$3,352,982

*Note these items feed automatically from AR3 UPIS Page 4

Cordes Lakes Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$105,259	\$178
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	1,627,935
235	Customer Deposits		16,185	50,653
236	Accrued Taxes		10,081	20,360
237	Accrued Interest		0	3,378
242	Miscellaneous Current and Accrued Liabilities		2,801	324,731
	Total Current Liabilities		\$134,326	\$2,027,235
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		(\$2,328)	(\$1,104)
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		16,993	0
255	Accumulated Deferred Investment Tax Credits		3,305	0
271	Contributions in Aid of Construction		300,715	323,099
272	Less: Amortization of Contributions		(50,045)	(50,753)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$270,967	\$272,346
	Total Liabilites		\$402,965	\$2,298,478
	Capital Accounts			
201	Common Stock Issued		\$100,000	\$1,360,341
211	Other Paid-In Capital		288,341	0
215	Retained Earnings		(76,237)	(305,838)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$312,104	\$1,054,504
	Total Liabilities and Capital		\$715,069	\$3,352,982

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
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$454,086	\$543,702
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	13,422	13,294
474	Other Water Revenue	0	0
	Total Revenues	\$467,508	\$556,996
	Operating Expenses		
601	Salaries and Wages	\$0	\$220,481
604	Employee Pensions and Benefits	0	33,626
610	Purchased Water	250,430	13,393
615	Purchased Power	39,717	41,097
618	Chemicals	1,291	2,103
620	Materials and Supplies	36,896	3,143
620.1	Repairs and Maintenance	0	4,689
620.2	Office Supplies and Expense	5,840	7,815
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	1,640
632	Contractual Services - Accounting	15,103	10,974
633	Contractual Services - Legal	1,244	2,196
634	Contractual Services - Management Fees	142,101	0
635	Contractual Services - Water Testing	1,371	4,223
636	Contractual Services - Other	190,136	43,203
640	Rents	0	13,200
641	Rental of Building/Real Property	11,000	0
642	Rental of Equipment	0	0
650	Transportation Expenses	12,979	20,332
657	Insurance - General Liability	0	10,223
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	13,010
670	Bad Debt Expense	(15)	5,630
675	Miscellaneous Expense	14,557	5,633
403	Depreciation Expense (From Schedule AR4)	25,485	25,715
408	Taxes Other Than Income	0	15,670
408.11	Property Taxes	18,868	21,391
409	Income Taxes	0	50
427.1	Customer Security Deposit Interest	0	2,572
	Total Operating Expenses	\$767,004	\$522,007
	Operating Income / (Loss)	(\$299,496)	\$34,989
	Other Income / (Expense)		
419	Interest and Dividend Income	\$1	\$1
421	Non-Utility Income	0	1,101
433	Extraordinary Income	0	4,757
426	Miscellaneous Non-Utility (Expense)	0	(26,777)
427	Interest (Expense)	(784)	0
434	Extraordinary Deductions	0	(8,785)
	Total Other Income / (Expense)	(\$783)	(\$29,702)
	Net Income / (Loss)	(\$300,279)	\$5,287

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.2	0.0	0.2
Engineering Staff	0.0	0.1	0.0	0.1
System Operator(s)	0.0	2.0	0.0	2.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	1.1	0.0	1.1
Accounting	0.0	0.2	0.0	0.2
Business Office	0.0	0.1	0.0	0.1
Rates Department	0.0	0.1	0.0	0.1
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	0.0	3.8	0.0	3.8

Cordes Lakes Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/19

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	2/27/2018	NA	NA	NA
Source of Loan	WIFA	NA	NA	NA
ACC Decision No.	76334	NA	NA	NA
Reason for Loan	System Reliability	NA	NA	NA
Dollar Amt. Issued	\$501,848	NA	NA	NA
Amount Outstanding	\$239,080	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	\$11,844	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$54,005
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Meter Deposits Refunded During the Test Year:	\$1,676
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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	Water level 2010	Water level 2019	Meter Size (inches)	How measured:	Active				
55-609346 (1)	7.5	65	470	12	submersible	1969	NA	223	3	Metered	Yes				
55-518196 (2)	7.5	95	380	8	submersible	1987	NA	173	3	Metered	Yes				
55-609347 (4)	7.5	94	500	12	submersible	1968	NA	111	3	Metered	Yes				
55-565855 (5)	10	65	343	10	submersible	1998	NA	297	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	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:	NA
ADWR PCC Number:	#N/A
Source of water delivered to another system	NA

Name of system water received from:	PRESCOTT VALLEY WATER DIST
ADWR PCC Number:	91-000636.0000
Source of water received	Ground Water
Well registry 55# (55-XXXXXX):	13-048

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	6,009,500.00	NA	0.00	0.00	NA	NA	NA
February	5,255,000.00	4,015,621.00	0.00	0.00	NA	NA	NA
March	5,803,900.00	3,778,886.00	0.00	0.00	0.00	3,331	26,777
April	6,289,800.00	4,410,994.00	0.00	0.00	0.00	3,314	24,476
May	6,779,800.00	3,966,801.00	0.00	0.00	0.00	3,454	31,086
June	7,329,612.00	5,630,443.00	0.00	446,000.00	0.00	3,528	33,895
July	7,482,753.00	6,327,504.00	0.00	906,000.00	0.00	4,200	40,104
August	7,086,200.00	5,467,359.00	0.00	864,000.00	0.00	3,825	35,421
September	6,939,400.00	5,467,359.00	0.00	588,000.00	0.00	4,382	41,292
October	6,043,600.00	5,467,359.00	0.00	48,000.00	0.00	3,577	32,969
November	5,863,600.00	3,867,792.00	0.00	0.00	0.00	2,929	27,723
December	6,192,800.00	5,467,359.00	0.00	0.00	0.00	3,027	28,619
Totals	77,075,965.00	53,867,477.00	0.00	2,852,000.00	0.00	\$35,568	322,362

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

1 Water withdrawn - Total gallons of water withdrawn from pumped sources.
 2 Water sold - Total gallons from customer meters, and other sales such as construction water.
 3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
 4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems
 5 Estimated authorized use - Total estimated gallons 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 (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.
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.
OTHER:	NA

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC	141
Method used:	(a)

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	NA	NA	NA	NA	NA
February	NA	NA	NA	NA	NA
March	1,325	0	19	0	0
April	1,325	0	19	0	0
May	1,325	0	19	0	0
June	1,326	0	19	0	0
July	1,328	0	19	0	0
August	1,328	0	19	0	0
September	1,349	0	19	0	0
October	1,353	0	19	0	0
November	1,376	0	19	0	0
December	1,359	0	19	0	0

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

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?

If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system

Well 7 project in progress. Estimate completion by June 1, 2020.

* an ERC is based on the calculation on the bottom of AR9 page 12

Cordes Lakes Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

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

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	4	0
October	0	28	0
November	0	18	0
December	0	0	0
Total	0	50	0

Other (description):

NA

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.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2019 was

\$22,529

If no property taxes paid, explain why.

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.

Verification and Sworn Statement (Taxes)

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

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

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

FOR THE YEAR ENDING: 12/31/19

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.

**RECEIVED
BY EMAIL**
4/23/2020, 04:36 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Matthew Garlick
signature of owner/official

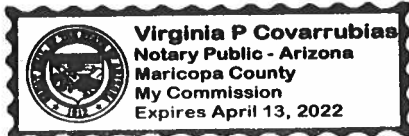
623-298-3763
telephone no.

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

THIS 15th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES April 13, 2022
(date)

Virginia P. Covarrubias
(signature of notary public)



Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Yavapai
Name (owner or official) title: Matthew Garlick, President AZ
Company name: Cordes Lakes Water Company

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$504,063

(The amount in the box above includes

\$36,555 in sales taxes billed or collected)

**RECEIVED
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4/23/2020, 04:36 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Matthew Garlick
signature of owner/official

623-298-3763

telephone no.

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

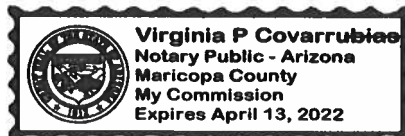
Maricopa
(county name)

THIS 15th

DAY OF April 2020
(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): Yavapai
Name (owner or official) title: Matthew Garlick, President AZ
Company name: Cordes Lakes Water Company

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$482,267

(The amount in the box above includes

\$34,974 in sales taxes
billed or collected)

**RECEIVED
BY EMAIL**

4/23/2020, 04:36 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Matthew Garlick

signature of owner/official

623-298-3763

telephone no.

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

Maricopa
(county name)

THIS

15th

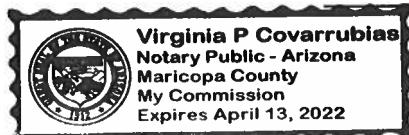
DAY OF

April 2020
(month) and (year)

MY COMMISSION EXPIRES

April 13, 2022
(date)

Virginia P. Covarrubias
(signature of notary public)



Gross-up Sharing Method for Income Tax Statement of Certification

Verification:

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

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

FOR THE YEAR ENDING: 12/31/19

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

**RECEIVED
BY EMAIL**

4/23/2020, 04:36 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Matthew Garlick
signature of owner/official
623-298-3763
telephone no.

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

Maricopa
(county name)

THIS 15th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES April 13, 2022
(date)

Virginia P. Covarrubias
(signature of notary public)

