

ANNUAL REPORT

Of

Company Name:
4700 E. Thomas Rd., Ste. 203

Mailing Address: Phoenix AZ
85018-7703

Docket No.: W-02859A
For the Year Ended:

**RECEIVED
BY EMAIL**

4/15/2020, 09:56 AM
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:
Application Date:

ARIZONA CORPORATION COMMISSION
 WATER UTILITY ANNUAL REPORT
 Diversified Water Utilities, Inc.
 A Class Utility

For the Calendar Year Ended: 12/31/19

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:

Owner

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

On-Site Manager

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

Attorney

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

NA

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

Ownership:

Counties Served:

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

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

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	83,092	0	0	83,092	0	83,092
304	Structures and Improvements	187,976	0	0	187,976	82,484	105,492
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	1,125,660	0	0	1,125,660	320,225	805,435
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	1,985,273	6,270	0	1,991,543	887,284	1,104,259
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	504,807	0	0	504,807	266,831	237,976
330.2	Pressure Tanks	64,216	0	0	64,216	39,644	24,572
331	Transmission and Distribution Mains	3,317,772	52,045	0	3,369,817	1,522,942	1,846,875
333	Services	623,005	10,869	0	633,873	229,433	404,440
334	Meters and Meter Installations	512,273	17,960	0	530,233	221,077	309,156
335	Hydrants	313,147	0	0	313,147	124,827	188,320
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	23,007	0	0	23,007	9,529	13,478
340.1	Computer & Software	31,665	1,055	698	32,022	10,545	21,477
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	8,917	0	0	8,917	3,651	5,266
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	138,259	0	0	138,259	61,252	77,007
	Totals	\$8,919,069	\$88,198	\$698	\$9,006,568	\$3,779,724	\$5,226,844

Diversified Water Utilities, Inc.
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
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	3.56%	\$0
302	Franchises	0	0	0	0	0	0	3.56%	0
303	Land and Land Rights	83,092	0	0	83,092	83,092	(0)	3.56%	(0)
304	Structures and Improvements	187,976	0	0	187,976	0	187,976	3.56%	6,692
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	3.56%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	3.56%	0
307	Wells and Springs	1,125,660	0	0	1,125,660	0	1,125,660	3.56%	40,073
308	Infiltration Galleries	0	0	0	0	0	0	3.56%	0
309	Supply Mains	0	0	0	0	0	0	3.56%	0
310	Power Generation Equipment	0	0	0	0	0	0	3.56%	0
311	Pumping Equipment	1,985,273	6,270	0	1,991,543	42,311	1,949,232	3.56%	69,281
320	Water Treatment Equipment	0	0	0	0	0	0	3.56%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	3.56%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	3.56%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	3.56%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	3.56%	0
330.1	Storage Tanks	504,807	0	0	504,807	4,117	500,690	3.56%	17,825
330.2	Pressure Tanks	64,216	0	0	64,216	0	64,216	3.56%	2,286
331	Transmission and Distribution Mains	3,317,772	52,045	0	3,369,817	20,824	3,348,993	3.56%	118,298
333	Services	623,005	10,869	0	633,873	0	633,873	3.56%	22,372
334	Meters and Meter Installations	512,273	17,960	0	530,233	0	530,233	3.56%	18,557
335	Hydrants	313,147	0	0	313,147	0	313,147	3.56%	11,148
336	Backflow Prevention Devices	0	0	0	0	0	0	3.56%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	3.56%	0
340	Office Furniture and Equipment	23,007	0	0	23,007	0	23,007	3.56%	819
340.1	Computer & Software	31,665	1,055	698	32,022	0	32,022	3.56%	1,134
341	Transportation Equipment	0	0	0	0	0	0	3.56%	0
342	Stores Equipment	0	0	0	0	0	0	3.56%	0
343	Tools, Shop and Garage Equipment	8,917	0	0	8,917	0	8,917	3.56%	317
344	Laboratory Equipment	0	0	0	0	0	0	3.56%	0
345	Power Operated Equipment	0	0	0	0	0	0	3.56%	0
346	Communication Equipment	0	0	0	0	0	0	3.56%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	3.56%	0
348	Other Tangible Plant	138,259	0	0	138,259	0	138,259	3.56%	4,922
	Subtotal	\$8,919,069	\$88,198	\$698	\$9,006,568	\$150,344	\$8,856,224		\$313,724

Contribution(s) in Aid of Construction (Gross)	\$1,385,890
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$1,385,890
Times: Proposed Amortization Rate	3.56%
Amortization of CIAC	\$49,338

Less: Amortization of CIAC \$49,338

DEPRECIATION EXPENSE \$264,386

Diversified Water Utilities, Inc.
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		\$119,870	\$450,484
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		14,717	55,893
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		15,997	16,834
174	Miscellaneous Current and Accrued Assets		68,533	68,533
	Total Current and Accrued Assets		\$219,117	\$591,744
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$8,919,069	\$9,006,568
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	17,570
108	Accumulated Depreciation (enter as negative)*		(3,466,212)	(3,779,724)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$5,452,857	\$5,244,414
	Total Assets		\$5,671,974	\$5,836,158

*Note these items feed automatically from AR3 UPIS Page 4

Diversified Water Utilities, Inc.
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		\$42,279	\$32,685
232	Notes Payable (Current Portion)		136,416	127,000
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		36,520	36,380
236	Accrued Taxes		36,518	36,839
237	Accrued Interest		949	948
242	Miscellaneous Current and Accrued Liabilities		23,079	25,562
	Total Current Liabilities		\$275,761	\$259,414
	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		3,935,766	4,181,402
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,384,445	1,385,890
272	Less: Amortization of Contributions		(631,475)	(680,813)
281	Accumulated Deferred Income Tax		0	
	Total Deferred Credits		\$4,688,736	\$4,886,479
	Total Liabilities		\$4,964,497	\$5,145,892
	Capital Accounts			
201	Common Stock Issued		\$2,000	\$2,000
211	Other Paid-In Capital		598,261	598,261
215	Retained Earnings		107,216	90,004
218	Proprietary Capital (Sole Props and Partnerships)		0	
	Total Capital		\$707,477	\$690,265
	Total Liabilities and Capital		\$5,671,974	\$5,836,157

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Diversified Water Utilities, Inc.
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	\$1,430,475	\$1,289,948
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	16,559	17,538
	Total Revenues	\$1,447,034	\$1,307,486
	Operating Expenses		
601	Salaries and Wages	\$390,218	\$387,532
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	75,487	86,998
618	Chemicals	2,697	3,088
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	67,898	111,250
620.2	Office Supplies and Expense	49,788	46,859
630	Contractual Services	0	0
631	Contractual Services - Engineering	(4,419)	17,746
632	Contractual Services - Accounting	8,375	10,865
633	Contractual Services - Legal	10,175	8,980
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	6,728	5,477
636	Contractual Services - Other	10,826	10,991
640	Rents	44,977	44,635
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	11,324	9,437
650	Transportation Expenses	17,109	23,833
657	Insurance - General Liability	13,420	16,513
657.1	Insurance - Health and Life	55,850	48,323
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	2,235	2,859
675	Miscellaneous Expense	40,873	39,448
403	Depreciation Expense (From Schedule AR4)	264,386	263,287
408	Taxes Other Than Income	29,818	29,402
408.11	Property Taxes	55,063	54,530
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	2,003	1,745
	Total Operating Expenses	\$1,154,830	\$1,223,798
	Operating Income / (Loss)	\$292,204	\$83,688
	Other Income / (Expense)		
419	Interest and Dividend Income	\$5	\$329
421	Non-Utility Income	538	8,050
426	Miscellaneous Non-Utility (Expense)	(486)	0
427	Interest (Expense)	0	(1,191)
	Total Other Income / (Expense)	\$57	\$7,188
	Net Income / (Loss)	\$292,260	\$90,876

Diversified Water Utilities, Inc.
Annual Report
Full time equivalent employees
12/31/19

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0	0.0	0.0	1.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	2.0	0.0	0.0	2.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	1.0	0.0	0.0	1.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	1.0	0.0	0.0	1.0
Other	0.0	0.0	0.0	0.0
Total	5.0	0.0	0.0	5.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	n/a	n/a	n/a	n/a
Source of Loan	n/a	n/a	n/a	n/a
ACC Decision No.	n/a	n/a	n/a	n/a
Reason for Loan	n/a	n/a	n/a	n/a
Dollar Amt. Issued	n/a	n/a	n/a	n/a
Amount Outstanding	n/a	n/a	n/a	n/a
Date of Maturity	n/a	n/a	n/a	n/a
Interest Rate	n/a	n/a	n/a	n/a
Current Year Interest	n/a	n/a	n/a	n/a
Current Year Principal	n/a	n/a	n/a	n/a

Meter Deposit Balance at Test Year End:	\$159,134
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Meter Deposits Refunded During the Test Year:	\$31,938
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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:		DIVERSIFIED WATER UTILITIES, INC.									
ADEQ Public Water System Number:		AZ0411043									
ADWR PCC Number:		91-000540.0000									
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
55-226113 (well 2)	250	1,200	1,000	18	Turbine	2016	n/a	0	12	Metered	Yes
55-627095 (well 4)	0	0	1,800	20	n/a	1967	n/a	n/a	n/a	N/A	No
55-627092 (well 3)	300	1,500	1,003	20	Turbine	1982	0	0	12	Metered	Yes
55-609350 (well 1 aband)	0	0	0	0	n/a	1977	0	n/a	n/a	N/A	No
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none
none	none	none	none	none	none	none	none	none	none	none	none

Name of system water delivered to:	SUN VALLEY FARMS UNIT VI
ADWR PCC Number:	91-000555.0000
Source of water delivered to another system	Ground Water

Name of system water received from:	NA
ADWR PCC Number:	#N/A
Source of water received	NA
Well registry 55# (55-XXXXXX):	n/a

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	13,720,000.00	10,761,300.00	1,883,800.00	0.00	260,000.00	\$4,457	50,910
February	11,954,000.00	9,908,600.00	1,640,400.00	0.00	168,000.00	3,977	43,042
March	15,351,000.00	12,758,400.00	2,410,900.00	0.00	70,000.00	4,794	55,535
April	20,137,000.00	16,792,000.00	3,291,400.00	0.00	0.00	5,825	71,814
May	41,421,000.00	20,307,100.00	3,861,500.00	0.00	15,440,800.00	7,950	107,997
June	29,164,100.00	20,832,100.00	4,005,700.00	0.00	3,133,100.00	9,794	140,646
July	39,683,500.00	24,481,900.00	4,493,300.00	0.00	9,088,500.00	8,565	115,998
August	31,878,700.00	25,726,800.00	4,729,300.00	0.00	196,700.00	7,162	92,345
September	22,560,000.00	17,698,500.00	3,346,500.00	0.00	190,000.00	5,971	75,001
October	21,653,000.00	17,737,500.00	3,055,700.00	0.00	141,000.00	6,241	72,800
November	20,137,000.00	15,083,700.00	2,602,700.00	0.00	1,625,000.00	5,054	57,099
December	12,510,000.00	10,313,100.00	1,991,400.00	0.00	141,000.00	3,612	44,055
Totals	280,169,300.00	202,401,000.00	37,312,600.00	0.00	30,454,100.00	\$73,401	927,242

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

- 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	
Name of the System:	DIVERSIFIED WATER UTILITIES, INC.
ADEQ Public Water System Number:	AZ0411043
ADWR PCC Number:	91-000540.0000

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC/DIP	60
6.00	PVC/DIP	60,407
8.00	PVC/DIP	64,780
12.00	PVC/DIP	20,807
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	0	0%	0%
0.75	1,383	38%	65%
1	276	48%	62%
1.5	4	75%	25%
Compound 2	7	100%	0%
Turbine 3	3	100%	100%
Turbine 4	1	100%	100%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%

SERVICE LINES			
Material	Percent of system	Year installed	
Copper	100%	varies	
NA	na	n	
NA	na	n	
NA	na	n	
NA	na	n	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10	300	2
30	500	4
na	na	na
na	na	na

FIRE HYDRANTS	
Type	Quantity
Standard *	99
Other	0

STORAGE TANKS				
Capacity (gallons)	Material	Quantity	Year installed	
200,000	Steel	1		
20,000	Steel	1		
1,000,000	Steel	1	2006	
na	na	na	na	
na	na	na	na	
na	na	na	na	

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	Steel	1	
5,000	Steel	1	2009
7,500	Steel	1	2006
na	na	na	na
na	na	na	na
na	na	na	na

* 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:	Liquid Chlorine (1) Gas Chlorinators (2)
STRUCTURES:	Storage shed (1); Chlorine shed (3); Motor Control Room (3)
OTHER:	Generator

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	288
Method used:	(a)

Customer and Other Information	
Name of the System:	DIVERSIFIED WATER UTILITIES, INC.
ADEQ Public Water System Number:	AZ0411043
ADWR PCC Number:	91-000540.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	1,570	5	11	17	0
February	1,577	5	11	18	0
March	1,579	5	11	19	0
April	1,592	5	11	19	0
May	1,597	5	11	19	0
June	1,593	5	11	19	0
July	1,599	5	11	19	0
August	1,596	5	12	19	1
September	1,601	5	12	19	1
October	1,598	5	12	19	1
November	1,607	5	13	19	1
December	1,607	5	13	19	1

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.

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

Diversified Water Utilities, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	DIVERSIFIED WATER UTILITIES, INC.
ADEQ Public Water System Number:	AZ0411043
ADWR PCC Number:	91-000540.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	17	0
February	0	23	0
March	0	20	0
April	0	20	0
May	0	24	0
June	0	12	0
July	0	27	0
August	0	15	0
September	0	28	0
October	0	26	0
November	0	25	0
December	0	32	0
Total	0	269	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	\$54,796
--	----------

If no property taxes paid, explain why.

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.

RECEIVED
BY EMAIL

Verification and Sworn Statement (Taxes)

4/15/2020, 09:56 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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

County of (county name): Maricopa
Name (owner or official) title: Scott W Gray President
Company name: Diversified Water Utilities, Inc.

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.

Signature of Scott W Gray

signature of owner/official

(602) 840-9400

telephone no.

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

THIS

9TH

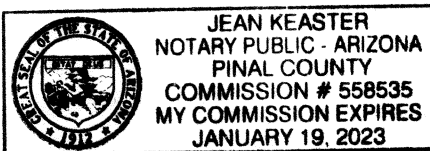
DAY OF

Pinal county
(county name)
April 2020
(month) and (year)

MY COMMISSION EXPIRES

Jan 19 2023
(date)

Signature of Jean Keaster
(signature of notary public)



Diversified Water Utilities, Inc.
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/19

**RECEIVED
BY EMAIL**
4/15/2020, 09:56 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Full Gross-up Method for Income Tax Statement of Certification

Verification:

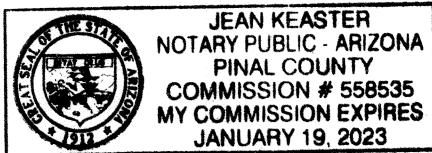
State of Arizona I, the undersigned of the
(state name)

County of (county name): Maricopa
Name (owner or official) title: Scott W Gray President
Company name: Diversified Water Utilities, Inc.

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.



[Signature]
signature of owner/official
(602) 840-9400
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pinal County
(county name)
THIS 9th DAY OF April 2020
(month) and (year)
MY COMMISSION EXPIRES Jan 19, 2023
(date)

[Signature]
(signature of notary public)

RECEIVED
BY EMAIL

Verification and Sworn Statement (Residential Revenue)

4/15/2020, 09:56 AM

Verification:

State of Arizona I, the undersigned of the **ARIZONA CORPORATION COMMISSION**
(state name) **UTILITIES DIVISION**

County of (county name): Maricopa
Name (owner or official) title: Scott W Gray President
Company name: Diversified Water Utilities, Inc.

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.

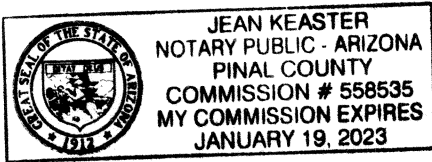
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$1,248,141

(The amount in the box above includes

\$84,669 in sales taxes
billed or collected)



Scott W Gray
signature of owner/official

(602) 840-9400
telephone no.

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

Pinal County
(county name)

THIS

9TH

DAY OF

April 2020
(month) and (year)

MY COMMISSION EXPIRES

Jan 19, 2023
(date)

Jean Keaster
(signature of notary public)

RECEIVED
BY EMAIL

Verification and Sworn Statement

4/15/2020, 09:56 AM

Verification:

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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

County of (county name): Maricopa
Name (owner or official) title: Scott W Gray President
Company name: Diversified Water Utilities, Inc.

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

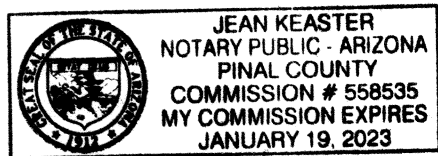
FOR THE YEAR ENDING: 12/31/19

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 (\$)
\$1,541,163
(The amount in the box above includes
\$94,129 in sales taxes
billed or collected)



[Signature]
signature of owner/official
(602) 840-9400
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pinal county
THIS 9TH DAY OF April 2020
(month) and (year)
MY COMMISSION EXPIRES Jan 19, 2023
(date)

[Signature]
(signature of notary public)