

**ANNUAL REPORT**

Of

Company Name:

East Slope Water Company

Mailing Address:

PO Box 85160  
Tucson, AZ 85754

Docket No.:

W-01906A

For the Year Ended:

12/31/2016

RECEIVED

APR 19 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [rdelafuente@azcc.gov](mailto:rdelafuente@azcc.gov), mail or deliver the completed Annual Report to:

Arizona Corporation Commission  
Compliance Section - Utilities Division  
1200 West Washington Street  
Phoenix, AZ 85007

Application Type:

Original Filing

Application Date:

2016

4-27-17

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
East Slope Water Company

A Class **D** Utility

1. For the Calendar Year Ended 12/31/2016

2. Address:

PO Box 85160					
City:	Tucson	State:	AZ	Zip Code:	85754

3. Telephone Number:

520.623.5172
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4. Date of Original Organization of Utility:

1985
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5. Person to whom correspondence should be addressed concerning this report:

Name:	Bonnie O' Connor, Manager				
Telephone No. :	520.623.5172				
Address:	PO Box 85160				
City:	Tucson	State:	AZ	Zip Code:	85754
Email:	info@southwesternutility.com				

6. On-Site Manager:

Name:	Keith Dojaquez				
Telephone No. :	520.623.5172				
Address:	PO Box 85160				
City:	Tucson	State:	AZ	Zip Code:	85754
Email:	info@southwesternutility.com				

7. Ownership:

C-Corp
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8. Counties Served:

Cochise
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East Slope Water Company  
Annual Report  
Utility Plant in Service (Water)  
12/31/2016

Utility Plant in Service (Water)				
Account No.	Description	Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$ 2,180		\$ 2,180
302	Franchises	-		-
303	Land and Land Rights	5,994		5,994
304	Structures and Improvements	41,519	7,030	34,490
305	Collecting & Improving Reservoirs	-		-
306	Lake, River, Canal Intakes	-		-
307	Wells and Springs	356,344	84,916	271,428
308	Infiltration Galleries	-		-
309	Supply Mains	-		-
310	Power Generation Equipment	-		-
311	Pumping Equipment	448,089	314,030	134,059
320	Water Treatment Equipment	-		-
320.1	Water Treatment Plants	-		-
320.2	Solution Chemical Feeders	1,741	889	852
320.3	Point-of-Use Treatment Devices	-		-
330	Distribution Reservoirs and Standpipes	10,276	6,100	4,176
330.1	Storage Tanks	204,250	45,816	158,434
330.2	Pressure Tanks	48,811	22,623	26,188
331	Transmission and Distribution Mains	1,298,924	280,536	1,018,388
333	Services	14,645	1,651	12,994
334	Meters and Meter Installations	45,842	23,725	22,118
335	Hydrants	-		-
336	Backflow Prevention Devices	-		-
339	Other Plant and Misc. Equipment	-		-
340	Office Furniture and Equipment	-		-
340.1	Computers & Software	-		-
341	Transportation Equipment	-		-
342	Stores Equipment	-		-
343	Tools, Shop and Garage Equipment	-		-
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communications Equipment	-		-
347	Miscellaneous Equipment	-		-
348	Other Tangible Plant	-		-
	<b>Totals</b>	<b>\$ 2,478,616</b>	<b>\$ 787,316</b>	<b>\$ 1,691,299</b>

East Slope Water Company  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/2016

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Original Cost	Current Year Additions	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$ 2,180	\$ -	\$ 2,180	\$ 2,180	\$ 4,360		
302	Franchises							
303	Land and Land Rights	5,994		5,994	5,994	11,988		
304	Structures and Improvements	41,519		41,519		41,519	3.33%	1,383
305	Collecting & Improving Reservoirs							
306	Lake, River, Canal Intakes							
307	Wells and Springs	312,868	43,477	356,344	60,588	416,932	3.33%	9,125
308	Infiltration Galleries							
309	Supply Mains							
310	Power Generation Equipment							
311	Pumping Equipment	425,520	22,569	448,089	261,189	709,278	12.50%	21,952
320	Water Treatment Equipment							
320.1	Water Treatment Plants							
320.2	Solution Chemical Feeders	1,741		1,741		1,741	3.33%	58
320.3	Point-of-Use Treatment Devices							
330	Distribution Reservoirs and Standpipes	10,276		10,276		10,276	2.22%	228
330.1	Storage Tanks	199,177	5,073	204,250		204,250	2.22%	4,478
330.2	Pressure Tanks	46,524	2,287	48,811		48,811	5.00%	2,383
331	Transmission and Distribution Mains	463,483	835,441	1,298,924	143,358	1,442,282	2.00%	14,757
333	Services	5,359	9,287	14,645		14,645	3.33%	333
334	Meters and Meter Installations	41,042	4,801	45,842	8,759	54,601	8.33%	2,889
335	Hydrants							
336	Backflow Prevention Devices							
339	Other Plant and Misc. Equipment							
340	Office Furniture and Equipment							
340.1	Computers & Software							
341	Transportation Equipment							
342	Stores Equipment							
343	Tools, Shop and Garage Equipment							
344	Laboratory Equipment							
345	Power Operated Equipment							
346	Communications Equipment							
347	Miscellaneous Equipment							
348	Other Tangible Plant							
	<b>Subtotal</b>	\$ 1,555,681	\$ 922,934	\$ 2,478,616	\$ 482,068	\$ 2,960,684		\$ 57,586

Contribution(s) in Aid of Construction (Gross) \$ 287,707  
Less: Non Amortizable Contributions(s)  
Fully Amortized Contributions(s)  
Amortizable Contribution(s) \$ 287,707  
Times: Proposed Amortization Rate 7.61%  
**Amortization of CIAC** \$ 6,127

**Less: Amortization of CIAC** \$ (6,127)

**DEPRECIATION EXPENSE** \$ 51,459

East Slope Water Company  
Annual Report  
Balance Sheet Assets  
12/31/2016

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$ 11,053	\$ 201,041
134	Working Funds			
135	Temporary Cash Investments		5,000	8,609
141	Customer Accounts Receivable		(4,645)	(3,693)
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments		14,305	6,288
174	Miscellaneous Current and Accrued Assets		20	20
	<b>Total Current and Accrued Assets</b>		\$ 25,733	\$ 212,265
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service		\$ 1,307,520	\$ 2,478,616
103	Property Held for Future Use		1,171,909	914,421
105	Construction Work In Progress		137,019	-
108	Accumulated Depreciation - Utility Plant		(735,515)	(787,316)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		\$ 1,880,933	\$ 2,605,720
	<b>Total Assets</b>		\$ 1,906,666	\$ 2,817,985

East Slope Water Company  
Annual Report  
Balance Sheet Liabilities and Owners Equity  
12/31/2016

**Balance Sheet Liabilities and Owners Equity**

		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
	<b>Liabilities</b>		
<b>Account No.</b>	<b>Current Liabilities</b>		
231	Accounts Payable	\$ 108,200	\$ 171,281
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	18,534	19,402
236	Accrued Taxes	1,423	2,712
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		185
	<b>Total Current Liabilities</b>	<b>\$ 128,157</b>	<b>\$ 193,580</b>
	<b>Long-Term Debt</b>		
224	Long-Term Debt (Notes and Bonds)	\$ 135,747	\$ 727,888
	<b>Deferred Credits</b>		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	369,390	664,687
252.1	Advances in Aid of Construction - Plant Held	1,171,909	914,421
271	Contributions in Aid of Construction	277,031	287,707
272	Less: Amortization of Contributions	(261,645)	(268,178)
281	Accumulated Deferred Income Tax		
	<b>Total Deferred Credits</b>	<b>\$ 1,556,685</b>	<b>\$ 1,598,637</b>
	<b>Total Liabilities</b>	<b>\$ 1,820,589</b>	<b>\$ 2,520,105</b>
	<b>Capital Accounts</b>		
201	Common Stock Issued	\$ 35,000	\$ 46,300
211	Other Paid-In Capital	(4,173)	(15,473)
215	Retained Earnings	55,250	267,053
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>Total Capital</b>	<b>\$ 86,077</b>	<b>\$ 297,880</b>
	<b>Total Liabilities and Capital</b>	<b>\$ 1,906,666</b>	<b>\$ 2,817,985</b>

East Slope Water Company  
Annual Report  
Water Comparative Income Statement  
12/31/2016

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$ 297,593	\$ 291,844
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		2,874
471	Miscellaneous Service Revenues	213,106	
474	Other Water Revenues	12,141	8,225
	<b>Total Revenues</b>	<b>\$ 522,840</b>	<b>\$ 302,943</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$ -	\$ -
604	Employee Pensions and Benefits		
610	Purchased Water	253	
615	Purchased Power	58,372	48,145
618	Chemicals	1,712	2,090
620	Materials and Supplies		
621.1	Repairs and Maintenance	17,732	14,290
620.2	Office Supplies and Expense	8,608	8,252
630	Contractual Services		134,461
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	7,511	
633	Contractual Services - Legal	9,304	
634	Contractual Services - Management Fees	106,452	
635	Contractual Services - Water Testing	1,610	9,107
636	Contractual Services - Other	2,215	
640	Rents		
642	Rental of Equipment		
650	Transportation Expenses	6,678	7,476
657	Insurance - General Liability	1,914	3,115
657.1	Insurance - Health and Life		
665	Regulatory Commission - Rate Case Expense		225
670	Bad Debt Expense	2,583	
675	Miscellaneous Expense	580	2,075
403	Depreciation Expense (From Page 4)	51,459	29,922
408	Taxes Other Than Income		
408.11	Property Taxes	16,287	25,975
409	Income Taxes		
427.1	Customer Security Deposit Interest	415	454
	<b>Total Operating Expenses</b>	<b>\$ 293,685</b>	<b>\$ 285,587</b>
	<b>Operating Income / (Loss)</b>	<b>\$ 229,155</b>	<b>\$ 17,356</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$ 41	\$ 2
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)	\$ (15,549)	\$ (1,782)
	<b>Total Other Income / (Expense)</b>	<b>\$ (15,508)</b>	<b>\$ (1,780)</b>
	<b>Net Income / (Loss)</b>	<b>\$ 213,647</b>	<b>\$ 15,576</b>

East Slope Water Company  
 Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/2016

**Supplemental Financial Data (Long-Term Debt)**

	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	12/21/2015			
Source of Loan	WIFA			
ACC Decision No.	75172			
Reason for Loan	Planning & Design			
Dollar Amount Issued	\$ 1,001,944	\$ -	\$ -	\$ -
Amount Outstanding	\$ 727,888	\$ -	\$ -	\$ -
Date of Maturity	12/1/2032			
Interest Rate	4.46%	%	%	%
Current Year Interest	\$ 15,549	\$ -	\$ -	\$ -
Current Year Principal	\$ 20,789	\$ -	\$ -	\$ -

Meter Deposit Balance at Year End:	\$ 12,229
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Meter Deposits Refunded During the Year:	\$ 1,159
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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.*



**Water Utility Plant Description**

Name of the System: West System  
 ADEQ Public Water System Number: 02-094

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)
55-805791	1.5	20	150	8	Submersible	1	1966	<0.001
55-805792	1.5	20	145	8	Submersible	2	1967	<0.001
55-805790	1	12	55	8	Submersible	1	1970	<0.001
55-632904	20	90	400	10	Submersible	3	1979	<0.001
55-208555	15	65	330	8	Submersible	3	2005	<0.001

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
2.0		1
5.0		1
7.5		1

FIRE HYDRANTS	
Type	Quantity
Standard ***	
Other	

STORAGE TANKS		
Capacity	Material	Quantity
12,000	Steel	1
15,000	Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
85	2
1,000	3
5,000	1

\* Arizona Department of Water Resources ("ADWR") well identification number.

\*\* 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)**

Name of the System:	West System
ADEQ Public Water System Number:	02-094

MAINS		
Size (inches)	Material	Length (feet)
2	PVC	2,000
3	AC/PVC	10,000
4	AC/PVC	15,666
5		
6	PVC	15,960
8	PVC	100
10		
12		

CUSTOMER METERS	
Size (inches)	Quantity
5/8 x 3/4	238
3/4	
1	2
1 1/2	
Compound 2	1
Turbine 2	
Compound 3	
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.

<b>TREATMENT EQUIPMENT:</b>	
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<b>STRUCTURES:</b>	
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<b>OTHER:</b>	
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<b>Water Utility Plant Description</b>
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Name of the System:	East System
ADEQ Public Water System Number:	02-028

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)
55-805786	2	100	549	8	Submersible	3	1964	<0.001
55-805787	2	10	560	8	Submersible	3	1963	<0.001
55-805788	7.5	40	620	12	Submersible	2	1971	<0.001
55-805789	60	200	802	10	Submersible	4	1977	<0.001
55-551665	2	5	210	6	Submersible	1	1995	<0.001
55-575955	7.5	45	402	8	Submersible	2	1999	<0.001
55-575958	30	130	401	8	Submersible	2	2000	<0.001
55-596646	5	12	510	9	Submersible	2	2003	<0.001
55-211155	7.5	35	1,000	8	Submersible	2	2006	<0.001

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		
Horsepower	GPM	Quantity
15.0		3
20.0		3

FIRE HYDRANTS	
Type	Quantity
Standard ***	23
Other	1

STORAGE TANKS		
Capacity	Material	Quantity
50,000	Steel	1
200,000	Bolted Steel	1
212,000	Bolted Steel	1

PRESSURE/BLADDER TANKS	
Capacity	Quantity
85	1
1,000	1
3,000	1
5,000	4

\* Arizona Department of Water Resources ("ADWR") well identification number.

\*\* 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)**

<u>Name of the System:</u>	East System
<u>ADEQ Public Water System Number:</u>	02-028

<b>MAINS</b>		
Size (inches)	Material	Length (feet)
2	PVC	28,000
3	AC	16,000
4	AC/PVC	97,000
4	PVC	811
4	RSP PVC	11,892
5		
6	AC/PVC	10,000
6	PVC	7,765
6	RSP PVC	237
6	DIP	327
8	PVC	150
8	RSP PVC	19,825
10		

<b>CUSTOMER METERS</b>	
Size (inches)	Quantity
5/8 x 3/4	803
3/4	
1	15
1 1/2	10
Compound 2	6
Turbine 2	
Compound 3	
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.

<b>TREATMENT EQUIPMENT:</b>	
-----------------------------	--

<b>STRUCTURES:</b>	
--------------------	--

<b>OTHER:</b>	
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East Slope Water Company  
 Annual Report  
 Water Use Data Sheet  
 12/31/2016

Water Use Data Sheet					
Name of the System:		West System			
ADEQ Public Water System Number:		02-094			
Month	Number of Customers	Gallons Sold (thousands) <sup>1</sup>	Gallons Pumped (thousands) <sup>2</sup>	Gallons Purchased (thousands) <sup>3</sup>	Estimated Gallons Authorized Use (thousands) <sup>4</sup>
January	238	1149	1349	0	
February	239	1357	1501	0	
March	238	1132	1358	0	
April	236	1670	1945	0	
May	239	1967	2089	0	
June	237	2470	2758	0	
July	236	2469	2672	0	
August	238	1951	2197	0	
September	238	1331	1480	0	
October	236	1507	1719	0	
November	238	1389	1657	0	
December	238	1611	1923	0	
<b>Totals</b>		20003	22648	0	0

If 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:**

Leaking tank and line repairs.

<sup>1</sup> Gallons sold - Total gallons from customer meters.  
<sup>2</sup> Gallons pumped - Total gallons from pumped sources.  
<sup>3</sup> Gallons purchased - Total gallons purchased from other sources.  
<sup>4</sup> Estimated gallons authorized use - Total estimated gallons from authorized meter or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

East Slope Water Company  
 Annual Report  
 Water Use Data Sheet  
 12/31/2016

Water Use Data Sheet					
Name of the System:		East System			
ADEQ Public Water System Number:		02-028			
Month	Number of Customers	Gallons Sold (thousands) <sup>1</sup>	Gallons Pumped (thousands) <sup>2</sup>	Gallons Purchased (thousands) <sup>3</sup>	Estimated Gallons Authorized Use (thousands) <sup>4</sup>
January	721	3645	4671	0	
February	735	4257	5399	0	
March	735	3798	4519	0	
April	735	4891	5042	0	
May	742	6013	6635	0	
June	741	6015	7003	0	
July	736	6645	7351	0	
August	738	5829	6988	0	
September	746	4705	4823	0	
October	738	4717	5294	0	
November	731	4061	4040	0	
December	736	4471	5086	0	
	<b>Totals</b>	59047	66851	0	0

If 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:**

Line breaks and leaks

<sup>1</sup> Gallons sold - Total gallons from customer meters.  
<sup>2</sup> Gallons pumped - Total gallons from pumped sources.  
<sup>3</sup> Gallons purchased - Total gallons purchased from other sources.  
<sup>4</sup> Estimated gallons authorized use - Total estimated gallons from authorized meter or un-metered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.

East Slope Water Company  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/2016

Name of the System: 

West System
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 ADEQ Public Water System Number: 

02-094
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<b>Utility Shutoffs / Disconnects</b>			
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	1	0
July	0	3	0
August	0	2	0
September	0	1	0
October	0	3	0
November	0	3	0
December	0	2	0
<b>Total</b>	<b>0</b>	<b>15</b>	<b>0</b>

Other (description):

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East Slope Water Company  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/2016

Name of the System: 

East System
-------------

  
 ADEQ Public Water System Number: 

02-028
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<b>Utility Shutoffs / Disconnects</b>			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	9	0
February	0	6	0
March	0	19	0
April	0	13	0
May	0	16	0
June	0	13	0
July	0	20	0
August	0	21	0
September	0	25	0
October	0	17	0
November	0	19	0
December	0	28	0
<b>Total</b>	0	206	0

Other (description):

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East Slope Water Company  
Annual Report  
Property Taxes  
12/31/2016

<b>Property Taxes</b>
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Amount of actual property taxes paid during Calendar year 2016 was	\$ 16,623
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If no property taxes paid, explain why.

**Verification and Statement (Taxes)**

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

County of (county name): Pima  
Name (owner or official) title: Bonnie O'Connor, Manager  
Company Name: East Slope Water Company

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

FOR THE YEAR ENDING: 12/31/2016

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**  
**APR 19 2017**  
ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

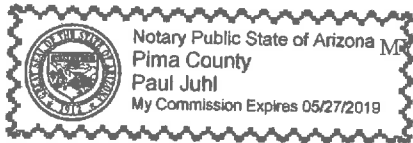
Bonnie O'Connor, Manager  
signature of owner/official

520.623.5172  
telephone no.

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

Pima  
(county name)

THIS 14<sup>th</sup> DAY OF April 2017  
(month) and (year)



COMMISSION EXPIRES 5/27/19  
(date)

Paul Juhl  
(signature of notary public)

**Verification and Statement**

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

County of (county name): Pima  
Name (owner or official) title: Bonnie O'Connor, Manager  
Company Name: East Slope Water Company

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

FOR THE YEAR ENDING: 12/31/2016

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 CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 555,199

(The amount in the box above includes

\$ 32,359 in sales tax  
billed or collected)

RECEIVED

APR 19 2017

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

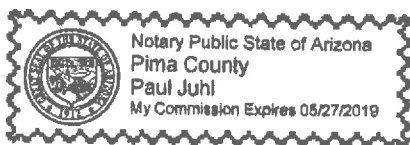
Bonnie O'Connor  
signature of owner/official

520.623.5172  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Pima  
(county name)

THIS 14<sup>th</sup> DAY OF April 2017  
(month) and (year)

MY COMMISSION EXPIRES 5/27/19  
(date)



Paul Juhl  
(signature of notary public)

**Verification and Statement (Residential Revenue)**

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

County of (county name): Pima  
Name (owner or official) title: Bonnie O'Connor, Manager  
Company Name: East Slope Water Company

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

FOR THE YEAR ENDING: 12/31/2016

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 CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 508,907

(The amount in the box above includes

\$ 29,661 in sales tax  
billed or collected)

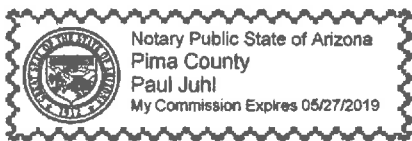
**RECEIVED**  
**APR 19 2017**  
ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Bonnie O'Connor Manager  
signature of owner/official

520.623.5172  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Pima  
(county name)

THIS 14<sup>th</sup> DAY OF April 2017  
(month) and (year)



MY COMMISSION EXPIRES 5/27/19  
(date)  
Paul Juhl  
(signature of notary public)