

ANNUAL REPORT

Of

Company Name: Empirita Water Company, L.L.C.
2850 E. Skyline Dr., Ste. 100

Mailing Address: Tucson AZ
85718

Docket No.: W-03948A
For the Year Ended: 12/31/17

RECEIVED

MAR 30 2018

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@azcc.gov, mail or deliver the completed Annual Report to:

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

Application Type: Original Filing

Application Date: 2/14/2018

3-30-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Empirita Water Company, L.L.C.
A Class Utility

1. For the Calendar Year Ended: 12/31/17

2. Address:

2850 E. Skyline Drive, Suite 100			
City:	Tucson	State:	Arizona
		Zip Code:	85718

3. Telephone Number:

(520) 490-1218

4. Date of Original Organization of Utility:

9/11/2000

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

Name:

James Vermilyea

Telephone No. :

(520) 490-1218

Address:

2850 E. Skyline Drive, Suite 100			
City:	Tucson	State:	Arizona
		Zip Code:	85718

Email:

N/A

6. On-Site Manager:

Name:

Southwestern Utility Management, Inc.

Telephone No. :

(520) 624-1460

Address:

2015 Forbes Blvd, Suite 107			
City:	Tucson	State:	Arizona
		Zip Code:	85745

Email:

N/A

7. Ownership:

Limited Liability Company ("LLC")

8. Counties Served:

Cochise

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCI.D (OC less AD)
301	Organization	\$15,000	\$0	\$0	\$15,000	\$12,500	\$2,500
302	Franchises	\$0	\$0	\$0	\$0	\$0	\$0
303	Land and Land Rights	\$0	\$0	\$0	\$0	\$0	\$0
304	Structures and Improvements	\$0	\$0	\$0	\$0	\$0	\$0
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	\$29,888	\$0	\$0	\$29,888	\$14,831	\$15,057
308	Infiltration Galleries	\$0	\$0	\$0	\$0	\$0	\$0
309	Supply Mains	\$0	\$0	\$0	\$0	\$0	\$0
310	Power Generation Equipment	\$67,719	\$0	\$0	\$67,719	\$39,647	\$28,072
311	Pumping Equipment	\$0	\$0	\$0	\$0	\$0	\$0
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	198,933	\$0	\$0	\$198,933	92,465	\$106,468
330.2	Pressure Tanks	\$0	\$0	\$0	\$0	\$0	\$0
331	Transmission and Distribution Mains	\$0	\$0	\$0	\$0	\$0	\$0
333	Services	\$0	\$0	\$0	\$0	\$0	\$0
334	Meters and Meter Installations	11,498	\$0	\$0	\$11,498	11,498	\$0
335	Hydrants	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0
340.1	Computer & Software	\$0	\$0	\$0	\$0	\$0	\$0
341	Transportation Equipment	2,000	\$0	\$0	\$2,000	2,000	\$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	\$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	\$0	\$0	\$0	\$0	\$0	\$0
	Totals	\$325,038	\$0	\$0	\$325,038	\$172,941	\$152,097

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.

Empirita Water Company, L.L.C.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/17

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$15,000	\$0	\$0	15,000	\$0	\$15,000	6.67%	\$1,000
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	0	0	0	0	0	0	0.00%	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	29,888	0	0	29,888	0	29,888	3.91%	1,170
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	67,719	0	0	67,719	0	67,719	2.09%	1,417
311	Pumping Equipment	0	0	0	0	0	0	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	198,933	0	0	198,933	0	198,933	4.00%	7,957
330.1	Storage Tanks	0	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	0	0	0	0	0	0	0.00%	0
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	11,498	0	0	11,498	0	11,498	0.00%	0
335	Hydrants	0	0	0	-	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	-	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	-	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	-	0	0	0.00%	0
340.1	Computer & Software	0	0	0	-	0	0	0.00%	0
341	Transportation Equipment	2,000	0	0	2,000	0	2,000	0.00%	0
342	Stores Equipment	0	0	0	-	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	-	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	-	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	-	0	0	0.00%	0
346	Communication Equipment	0	0	0	-	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	-	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	-	0	0	0.00%	0
	Subtotal	\$325,038	\$0	\$0	\$325,038	\$0	\$325,038		\$11,544

Contribution(s) in Aid of Construction (Gross) \$0
Less: Non Amortizable Contribution(s) 0
Fully Amortized Contribution(s) 0
Amortizable Contribution(s) \$0
Times: Proposed Amortization Rate 3.55%
Amortization of CIAC \$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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

Empirita Water Company, L.L.C.
 Annual Report
 Balance Sheet Assets
 12/31/17

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current and Accrued Assets			
131	Cash		\$551	\$296
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	253
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$551	\$549
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$325,038	\$325,038
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(161,397)	(172,941)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$163,641	\$152,097
	Total Assets		\$164,192	\$152,646

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

Empirita Water Company, L.L.C.
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
Account No.	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
	Current Liabilities			
231	Accounts Payable		\$865	\$0
232	Notes Payable (Current Portion)		9,870	9,496
234	Notes Payable to Associated Companies		145,275	145,275
235	Customer Deposits		3,725	4,215
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		3,606	3,607
	Total Current Liabilities		\$163,341	\$162,593
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$43,263	\$39,372
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$206,604	\$201,965
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		0	0
218	Proprietary Capital (Sole Props and Partnerships)		(42,412)	(49,319)
	Total Capital		(\$42,412)	(\$49,319)
	Total Liabilities and Capital		\$164,192	\$152,646

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!

Empirita Water Company, L.L.C.
Annual Report
Water Comparative Income Statement
12/31/17

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2017 - 12/31/2017	Last Year 01/01/2016 - 12/31/2016
	Operating Revenue		
461	Metered Water Revenue	\$29,998	\$25,918
460	Unmetered Water Revenue	324	450
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	2,956	3,110
	Total Revenues	\$33,278	\$29,478
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	7,028	5,562
618	Chemicals	0	0
620	Materials and Supplies	955	0
620.1	Repairs and Maintenance	2,199	695
620.2	Office Supplies and Expense	167	100
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	850	1,627
633	Contractual Services - Legal	0	344
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	1,248	1,526
636	Contractual Services - Other	5,629	4,999
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	1,885	1,890
657	Insurance - General Liability	1,402	1,384
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	10	33
403	Depreciation Expense (From Schedule AR4)	11,544	11,604
408	Taxes Other Than Income	1,627	1,420
408.11	Property Taxes	157	116
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$34,701	\$31,300
	Operating Income / (Loss)	(\$1,423)	(\$1,822)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	12,777
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(5,484)	(5,697)
	Total Other Income / (Expense)	(\$5,484)	\$7,080
	Net Income / (Loss)	(\$6,907)	\$5,258

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.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	6/25/2014	None	None	None
Source of Loan	Individual	0	0	0
ACC Decision No.	N/A	0	0	0
Reason for Loan	Equipment upgrade	0	0	0
Dollar Amt. Issued	\$62,000	\$0	\$0	\$0
Amount Outstanding	\$48,868	\$0	\$0	\$0
Date of Maturity	6/30/2022	0	0	0
Interest Rate	10.00%	0	0	0
Current Year Interest	\$5,231	0	0	0
Current Year Principal	\$4,265	0	0	0

Meter Deposit Balance at Test Year End:	\$4,215
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Meter Deposits Refunded During the Test Year:	\$410
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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.

Water Utility Plant Description

Name of the System: N/A
 ADEQ Public Water System Number: None

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)
55-570078	10	25	445	5	Submersible	1	2000	0.0000
55-580933	10	30	425	5	Submersible	1	2000	0.0000
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

OTHER WATER SOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	0	0
None	0	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
9.5	85	2
0	0	0
0	0	0
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard ***	1
Other	0
0	0
0	0

STORAGE TANKS		
Capacity	Material	Quantity
50,000	Steel	1
150,000	Steel	1
0	0	0

PRESSURE/BLADDER TANKS	
Capacity	Quantity
5,000	1
0	0
0	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. Copy and paste this sheet as many times as is necessary.

* Arizona Department of Water Resources ("ADWR") well identification number. For example 55-XXXXXX.
 ** Pump motor type, turbine or submersible.

*** A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)			CUSTOMER METERS	
MAINS			Size (inches)	Quantity
Sizes (inches)	Material	Length (feet)		
6.00	PVC	10,560	5/8 X 3/4	0
NA	NA		0.75	32
NA	NA	NA	1	0
NA	NA	NA	1.5	0
NA	NA	NA	2	0
NA	NA	NA	3	0
NA	NA	NA	4	0
NA	NA	NA	NA	0
NA	NA	NA	NA	0
NA	NA	NA	NA	0
NA	NA	NA	NA	0
NA	NA	NA	NA	0
NA	NA	NA	NA	0
NA	NA	NA	NA	0
NA	NA	NA	NA	0
NA	NA	NA	NA	0
NA	NA	NA	NA	0
NA	NA	NA	NA	0
NA	NA	NA	NA	0

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

TREATMENT EQUIPMENT:	None
STRUCTURES:	1 50,000 Gal. Reservoir; 1 5,000 Gal Hydro pneumatic tank; 1 150,000 Gal. Reservoir (not in use); electric panel; Grundfoss pumps (2) plus housings; Fill and pressure reducing valves plus connectig equipment
OTHER:	2 Well Sites

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

Water Use Data Sheet							
Name of the System:		N/A					
ADFQ Public Water System Number:		None					
Month	Number of Customers	Gallons Sold (thousands) ¹	Gallons Pumped (thousands) ²	Gallons Purchased (thousands) ³	Estimated Gallons Authorized Use (thousands) ⁴	Purchased Power Expense ⁵	Purchased Power (kWh) ⁶
January	39	161,596	167,683	165,996	168,933	\$362	1,631
February	39	162,103	171,235	168,503	172,485	389	2,165
March	39	215,789	225,128	222,389	226,378	453	2,371
April	40	298,332	306,242	304,132	307,492	485	3,098
May	41	344,615	352,827	351,015	354,077	578	3,385
June	42	477,446	489,292	487,446	490,542	715	5,054
July	42	336,820	343,689	343,020	344,939	929	3,079
August	43	241,816	245,200	244,016	246,450	710	2,983
September	43	271,291	275,274	275,291	276,524	662	2,604
October	43	342,312	351,136	351,112	352,386	551	3,586
November	43	282,003	289,411	289,203	290,661	680	2,321
December	43	203,047	214,210	211,847	215,460	514	1,791
Totals		3,337,170	3,431,327	3,413,970	3,446,327	\$7,028	34,068

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

Does the system have chlorination treatment?

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 Annual fire department testing uses approximately 10,000 gallons per year. Flushing the system uses approximately 5,000 gallons per year.

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

- 1 Gallons sold - Total gallons from customer meters, and other sold gallons such as Construction water.
- 2 Gallons pumped - Total gallons from pumped sources.
- 3 Gallons purchased - Total gallons purchased from other sources.
- 4 Estimated gallons authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized use such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc.
- 5 Enter the total purchased power costs for the power meters associated with this system.
- 6 Enter the total purchased kWh used by the power meters associated with this system.

Empirita Water Company, L.L.C.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	None
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	None	None	None
February	None	None	None
March	None	None	None
April	None	None	None
May	None	None	None
June	None	None	None
July	None	None	None
August	None	None	None
September	None	None	None
October	None	None	None
November	None	None	None
December	None	None	None
Total	None	None	None

Other (description): There were no terminations in 2017

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.

Empirita Water Company, L.L.C.
Annual Report
Property Taxes
12/31/17

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2017 was	\$157
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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.

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MAR 30 2018

Verification and Sworn Statement (Taxes)

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

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

County of (county name): Cochise
Name (owner or official) title: James Vermilyea, Member
Company name: Empirita Water Company, LLC

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

FOR THE YEAR ENDING: 12/31/17

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.

James Vermilyea
signature of owner/official

(520)490-1218
telephone no.

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

THIS

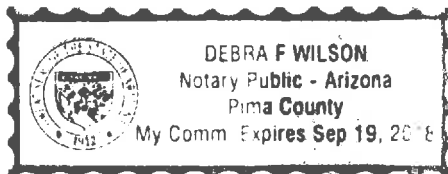
21st

DAY OF

Pima
(county name)
March 2018
(month) and (year)

MY COMMISSION EXPIRES

9-19-18
(date)



Debra F. Wilson
(signature of notary public)

Verification and Sworn Statement

RECEIVED

Verification:

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

MAR 30 2018

County of (county name): Cochise

Name (owner or official) title: James Vermilyea, Member

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Company name: Empirita Water Company, LLC

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

FOR THE YEAR ENDING: 12/31/17

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 (\$)

\$28,634

(The amount in the box above includes

\$1,646 in sales taxes

billed or collected)

James Vermilyea
signature of owner/official

520-490-1218

telephone no.

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

THIS

21ST

DAY OF

Pima

(county name)

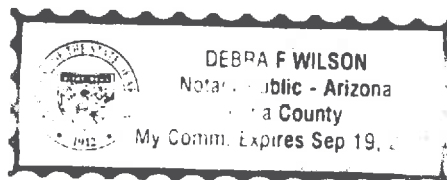
March 2018

(month) and (year)

MY COMMISSION EXPIRES

9-19-18

(date)



[Signature]
(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): Cochise
Name (owner or official) title: James Vermilyea, Member
Company name: Empirita Water Company, LLC

RECEIVED
MAR 30 2018
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: 12/31/17

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 (\$)

\$28,634

(The amount in the box above includes

\$1,646 in sales taxes
billed or collected)

James Vermilyea
signature of owner/official

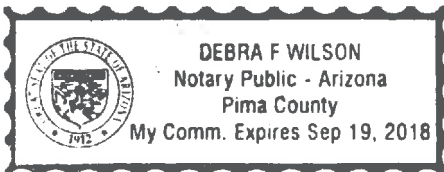
(520) 490-1218
telephone no.

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

Pima
(county name)

THIS 21st DAY OF March 2018
(month) and (year)

MY COMMISSION EXPIRES 9-19-18
(date)



Debra F. Wilson
(signature of notary public)