

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-03945A
For the Year Ended:

RECEIVED
APR 17 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:
Application Date:

4-18-18

4-19-18

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT

Francesca Water Company, Inc.

A Class E Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

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

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	1,015	0	0	\$1,015	0	\$1,015
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	10,000	0	0	10,000	0	10,000
304	Structures and Improvements	2,612	0	0	2,612	1,606	1,006
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	38,669	0	0	38,669	38,669	0
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	38,456	2,174	0	40,630	27,182	13,448
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	1,456	0	0	1,456	1,259	197
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	71,342	0	0	71,342	45,889	25,453
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	137,091	0	0	137,091	106,671	30,420
333	Services	25,564	650	0	26,214	23,860	2,354
334	Meters and Meter Installations	7,573	0	0	7,573	7,136	437
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	4,000	0	0	4,000	3,785	215
340.1	Computer & Software	791	0	0	791	98	693
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	3,000	0	0	3,000	1,926	1,074
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	500	0	0	500	500	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$342,069	\$2,824	\$0	\$344,893	\$258,581	\$86,312

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.

Francesca Water Company, Inc.
 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	Depreciation Percentages	Depreciation Expense
301	Organization	\$1,015	\$0	\$0	\$1,015	\$1,015	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	10,000	0	0	10,000	10,000	0.00%	0
304	Structures and Improvements	2,612	0	0	2,612	0	3.33%	87
305	Collecting & Improving Reservoirs	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	2.50%	0
307	Wells and Springs	38,669	0	0	38,669	38,669	3.33%	0
308	Infiltration Galleries	0	0	0	0	0	6.67%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	5.00%	0
311	Pumping Equipment	38,456	2,174	0	40,630	12,600	12.50%	3,232
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	1,456	0	0	1,456	0	20.00%	291
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	71,342	0	0	71,342	11,702	2.22%	1,324
330.2	Pressure Tanks	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	137,091	0	0	137,091	75,034	2.00%	1,241
333	Services	25,564	650	0	26,214	23,759	3.33%	71
334	Meters and Meter Installations	7,573	0	0	7,573	7,073	8.33%	42
335	Hydrants	0	0	0	0	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	6.67%	0
340	Office Furniture and Equipment	4,000	0	0	4,000	3,785	6.67%	62
340.1	Computer & Software	791	0	0	791	341	20.00%	90
341	Transportation Equipment	0	0	0	0	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	3,000	0	0	3,000	1,926	5.00%	243
344	Laboratory Equipment	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	0	0	0	0	0	5.00%	0
346	Communication Equipment	500	0	0	500	500	10.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$342,069	\$2,824	\$0	\$344,893	\$186,404		\$6,683

Contribution(s) in Aid of Construction (Gross)	\$12,300
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$12,300
Times: Proposed Amortization Rate	3.95%
Amortization of CIAC	\$486
Less: Amortization of CIAC	<input type="text" value="\$486"/>
DEPRECIATION EXPENSE	<input type="text" value="\$6,197"/>

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.

Francesca Water Company, Inc.
 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		\$4,091	\$4,179
134	Working Funds		0	0
135	Temporary Cash Investments		9,543	22,549
141	Customer Accounts Receivable		5,397	5,889
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		\$19,031	\$32,617
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$342,069	\$344,893
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(251,898)	(258,581)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$90,171	\$86,312
	Total Assets		\$109,202	\$118,929

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

Francesca Water Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2017)	Balance at End of Year (2017)
Account No.	Current Liabilities			
231	Accounts Payable		\$21,022	\$11,464
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		5,668	6,080
236	Accrued Taxes		334	367
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	(3,578)
	Total Current Liabilities		\$27,024	\$14,333
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$32,339	\$25,989
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		2,471	2,991
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		12,300	12,300
272	Less: Amortization of Contributions		(4,798)	(5,284)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$9,973	\$10,007
	Total Liabilities		\$69,336	\$50,329
	Capital Accounts			
201	Common Stock Issued		\$100	\$100
211	Other Paid-In Capital		35,112	35,112
215	Retained Earnings		4,654	33,388
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$39,866	\$68,600
	Total Liabilities and Capital		\$109,202	\$118,929

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!

Francesca Water Company, Inc.
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	\$74,203	\$60,034
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	3,661	3,300
	Total Revenues	\$77,864	\$63,334
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	11,339	9,681
618	Chemicals	193	0
620	Materials and Supplies	0	386
620.1	Repairs and Maintenance	2,202	2,860
620.2	Office Supplies and Expense	1,803	1,852
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	1,510	1,529
633	Contractual Services - Legal	81	714
634	Contractual Services - Management Fees	13,200	13,200
635	Contractual Services - Water Testing	1,683	1,386
636	Contractual Services - Other	1,285	402
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	660	986
657	Insurance - General Liability	1,497	1,495
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	7,164
670	Bad Debt Expense	493	33
675	Miscellaneous Expense	1,229	1,200
403	Depreciation Expense (From Schedule AR4)	6,197	5,695
408	Taxes Other Than Income	0	31
408.11	Property Taxes	3,582	3,493
409	Income Taxes	50	0
427.1	Customer Security Deposit Interest	29	125
	Total Operating Expenses	\$47,033	\$52,232
	Operating Income / (Loss)	\$30,831	\$11,102
	Other Income / (Expense)		
419	Interest and Dividend Income	\$115	\$75
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(2,114)	(2,691)
	Total Other Income / (Expense)	(\$1,999)	(\$2,616)
	Net Income / (Loss)	\$28,832	\$8,486

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.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	8/24/2001	N/A	N/A	N/A
Source of Loan	WIFA	N/A	N/A	N/A
ACC Decision No.	63660	N/A	N/A	N/A
Reason for Loan	Storage/Upgrades	N/A	N/A	N/A
Dollar Amt. Issued	\$97,000	N/A	N/A	N/A
Amount Outstanding	\$25,989	N/A	N/A	N/A
Date of Maturity	8/1/2021	N/A	N/A	N/A
Interest Rate	5.08%	N/A	N/A	N/A
Current Year Interest	\$1,495	N/A	N/A	N/A
Current Year Principal	\$6,350	N/A	N/A	N/A

Meter Deposit Balance at Test Year End:	\$2,991
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Meter Deposits Refunded During the Test Year:	\$101
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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 (Continued)				
MAINS			CUSTOMER METERS	
Sizes (inches)	Material	Length (feet)	Size (inches)	Quantity
2	PVC	1,917	5/8 X 3/4	91
3	PVC	329	3/4	1
4	PVC	4,596	1	
5			1 1/2	
6	PVC	2,987	Compound 2	
8			Turbine 2	
10			Compound 3	
12			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.

TREATMENT EQUIPMENT:	Chlorinator
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STRUCTURES:	510 feet of chain link fence
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OTHER:	N/A
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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:		Amber Ann					
ADEQ Public Water System Number:		10-317					
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	35	201	221	0	0	\$ 235	1554
February	35	174	352	0	0	284	1858
March	35	292	306	0	0	384	2609
April	35	394	401	0	0	373	2528
May	36	242	260	0	0	530	3400
June	37	316	336	0	0	372	2227
July	36	325	343	0	0	405	2450
August	35	261	253	0	0	416	2525
September	35	197	216	0	0	361	2092
October	35	216	234	0	0	326	1916
November	35	224	234	0	0	377	2043
December	35	210	234	0	0	341	1822
Totals		3,052	3,390	0	0	\$4,404	27,024

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:
 Possible water theft during February and sediment obstructing the flow of the well meter during August.

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.

- 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.

Water Use Data Sheet							
Name of the System:		Talaway					
ADEQ Public Water System Number:		10-283					
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	72	341	354	0	0	\$ 358	2602
February	72	388	436	0	0	329	2309
March	73	365	411	0	0	344	2421
April	74	455	500	0	0	399	2808
May	74	499	521	0	0	521	3422
June	74	633	711	0	0	563	3622
July	76	608	615	0	0	711	4547
August	76	447	477	0	0	863	5585
September	77	547	598	0	0	584	3760
October	77	532	586	0	0	732	4745
November	76	557	586	0	0	801	4724
December	76	494	611	0	0	730	4292
Totals		5,866	6,406	0	0	\$6,935	44,837

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:

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.

- 1 Gallons sold - Total gallons from customer meters.
- 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.

Francesca Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

ADEQ System No. :	10-317
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	1	0
February	0	2	0
March	0	1	0
April	0	2	0
May	0	3	0
June	0	2	0
July	0	2	0
August	0	2	0
September	0	1	0
October	0	3	0
November	0	2	0
December	0	1	0
Total	0	22	0

Other (description):

N/A

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

Francesca Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/17

Annual Report

ADEQ System No. :	10-283
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Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	2	0
February	0	2	0
March	0	0	0
April	0	3	0
May	0	5	0
June	0	1	0
July	0	3	0
August	0	2	0
September	0	1	0
October	0	5	0
November	0	4	0
December	0	5	0
Total	0	33	0

Other (description):

N/A

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

Francesca Water Company, Inc.
Annual Report
Property Taxes
12/31/17

Property Taxes

Amount of actual property taxes paid during Calendar Year 2017 was \$3,578

If no property taxes paid, explain why.

N/A

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.

Francesca Water Company, Inc.
Annual Report
Verification and Sworn Statement (Taxes)
12/31/17

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APR 19 2018

ARIZONA CORP COMMISSION
UNITED STATES OF AMERICA

Verification and Sworn 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, Treasurer
Company name: Francesca Water Company, Inc.

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.

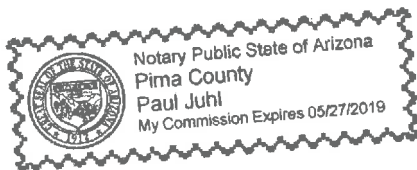
Bonnie O'Connor
signature of owner/official

520.624.1460
telephone no.

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

THIS 16th DAY OF Pima
(county name)
April, 2018
(month) and (year)

MY COMMISSION EXPIRES 5/27/19
(date)



[Signature]
(signature of notary public)

RECEIVED

APR 19 2018

Verification and Sworn 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, Treasurer
Company name: Francesca Water Company, Inc.

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:

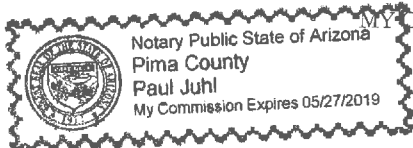
Arizona Intrastate Gross Operating Revenues Only (\$) \$82,663
(The amount in the box above includes \$4,799 in sales taxes billed or collected)

Bonnie O'Connor
signature of owner/official

520.624.1460
telephone no.

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

THIS 16th DAY OF Pima April, 2018
(month) and (year)



MY COMMISSION EXPIRES

5/27/19
(date)

[Signature]
(signature of notary public)

RECEIVED

APR 19 2018

Verification and Sworn Statement (Residential Revenue)

ARIZONA UTILITIES DIVISION
UTILITY DIVISION - DIRECTOR'S OFFICE

Verification:

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

County of (county name): Pima
Name (owner or official) title: Bonnie O'Connor, Treasurer
Company name: Francesca Water Company, Inc.

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 (\$)

\$81,624

(The amount in the box above includes

\$4,739 in sales taxes
billed or collected)

Bonnie O'Connor
signature of owner/official

520.624.1460

telephone no.

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

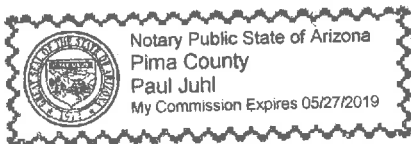
Pima
(county name)

THIS

16th

DAY OF

April, 2018
(month) and (year)



MY COMMISSION EXPIRES

5/27/19
(date)

Paul Juhl
(signature of notary public)