

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01583A
Las Quintas Serenas Water Company
Post Office Box 68
Sahuarita, AZ 85629

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012
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RECEIVED

APR 15 2013

AZ CORP COMM
Director - Utilities

FOR COMMISSION USE

ANN 04	12
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4-18-13

COMPANY INFORMATION

Company Name (Business Name) <u>Las Quintas Serenas Water Company</u>		
Mailing Address <u>Post Office Box 68</u> (Street)		
<u>Sahaurita</u> (City)	<u>AZ</u> (State)	<u>85629</u> (Zip)
<u>(520) 625-8040</u> Telephone No. (Include Area Code)	<u>(520) 648-3520</u> Fax No. (Include Area Code)	<u>N/A</u> Cell No. (Include Area Code)
Email Address <u>service@lqswater.com</u>		
Local Office Mailing Address <u>Same as Above</u> (Street)		
<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Local Office Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)
Email Address <u></u>		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:			
<input type="checkbox"/> Management Contact:			
<u></u> (Name)		<u></u> (Title)	
<u></u> (Street)	<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)	
Email Address <u></u>			
On Site Manager: <u>Omar Mejia</u> (Name)			
<u>75 W. Calle de las Tiendas, Suite 115-B</u> (Street)	<u>Green Valley</u> (City)	<u>AZ</u> (State)	<u>85614</u> (Zip)
<u>(520) 625-8040</u> Telephone No. (Include Area Code)	<u>(520) 648-3520</u> Fax No. (Include Area Code)	<u>(520) 403-5289</u> Cell No. (Include Area Code)	
Email Address <u>omar@lqswater.com</u>			

Statutory Agent: Ray Romero

(Name)

75 W. Calle de las Tiendas Suite 115-B
(Street)

Green Valley
(City)

AZ
(State)

85614
(Zip)

(520) 625-8040
Telephone No. (Include Area Code)

(520) 648-3520
Fax No. (Include Area Code)

(520) 403-5289
Cell No. (Include Area Code)

Attorney: Lawrence V. Robertson

(Name)

PO Box 1448
(Street)

Tubac
(City)

AZ
(State)

85646
(Zip)

(520) 398-0411
Telephone No. (Include Area Code)

(520) 398-0412
Fax No. (Include Area Code)

N/A
Cell No. (Include Area Code)

Email Address

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

CALVERT & IVESTER, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

310 South Williams Blvd., Ste 352
TUCSON, AZ 85711

Voice (520) 325-1544
Fax (520) 327-6864

Dale R. Calvert, CPA
E-mail: dale@calvertandivester.com

Sara J. Ivester, CPA
Email: sara@calvertandivester.com

March 29, 2013

Board of Directors
Las Quintas Serenas Water Co., Inc.
Green Valley, Arizona

We have compiled the accompanying balance sheet of Las Quintas Serenas Water Co., Inc. as of September 30, 2012 and 2011 and the related comparative statement of income and expenses and the supplementary information contained in the schedule of utility plant in service, schedule of calculation of depreciation expense, schedule of long-term debt and schedule of income taxes for the year then ended included in the accompanying prescribed form, Water Utility Annual Report, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation is limited to presenting in the form prescribed by the Arizona Corporation Commission information that is representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission which differ from a presentation in conformity with generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

We are not independent with respect to Las Quintas Serenas Water Co., Inc.

Dale R. Calvert
Certified Public Accountant

COMPANY NAME Las Quintas Serenas Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	217	0	217
304	Structures and Improvements	241,697	34,071	207,626
307	Wells and Springs	360,844	174,366	186,478
311	Pumping Equipment	466,442	347,128	119,314
320	Water Treatment Equipment	704,641	94,767	609,874
330	Distribution Reservoirs and Standpipes	630,761	120,121	510,640
331	Transmission and Distribution Mains	924,616	600,025	324,591
333	Services	2,427	1,032	1,395
334	Meters and Meter Installations	101,418	101,418	0
335	Hydrants	0	0	0
336	Backflow Prevention Devices	1,137	997	140
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	33,458	18,671	14,787
341	Transportation Equipment	23,292	23,292	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	2,592	1,624	968
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	7,589	7,589	0
348	Other Tangible Plant	222,769	29,672	193,097
	TOTALS	3,723,900	1,554,773	2,169,127

This amount goes on the Balance Sheet Acct. No. 108 

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	217	0	0
304	Structures and Improvements	241,697	3.33%	8,049
307	Wells and Springs	360,844	3.33%	12,016
311	Pumping Equipment	466,442	12.50%	58,305
320	Water Treatment Equipment	704,641	3.33%	23,464
330	Distribution Reservoirs and Standpipes	630,761	2.22%	14,003
331	Transmission and Distribution Mains	924,616	2.00%	18,492
333	Services	2,427	3.33%	81
334	Meters and Meter Installations	101,418	8.33%	0
335	Hydrants	0	0	0
336	Backflow Prevention Devices	1,137	6.67%	76
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	33,458	6.67%	2,232
341	Transportation Equipment	23,292	20.00%	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	2,592	5.00%	130
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	7,589	10.00%	0
348	Other Tangible Plant	222,769	3.33%	7,418
	TOTALS	3,723,900		144,266

This amount goes on the Comparative Statement of Income and Expense Acct. No. 403.



BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
		10/1/2011	9/30/2011
CURRENT AND ACCRUED ASSETS			
131	Cash	\$ 51,378	\$ 65,628
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	17,152	13,231
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	3,422	3,118
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	322,512	337,102
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 394,464	\$ 419,079
FIXED ASSETS			
101	Utility Plant in Service	\$ 3,715,674	\$ 3,723,900
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	(1,410,506)	(1,554,773)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 2,305,168	\$ 2,169,127
	TOTAL ASSETS	\$ 2,699,632	\$ 2,588,205

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
		10/1/2011	9/30/2012
CURRENT LIABILITES			
231	Accounts Payable	\$ 191	\$ 191
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	19,089	16,210
236	Accrued Taxes	15,570	24,158
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	14,625	0
	TOTAL CURRENT LIABILITIES	\$ 49,474	\$ 40,558
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$ 1,725,175	\$ 1,656,101
DEFERRED CREDITS			
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	89,451	87,692
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction *	603,155	603,155
272	Less: Amortization of Contributions *	(402,100)	(430,675)
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 290,505	\$ 260,172
	TOTAL LIABILITIES	\$ 2,065,154	\$ 1,956,831
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$ 2,550	\$ 2,550
211	Paid in Capital in Excess of Par Value	5,180	5,180
215	Retained Earnings	626,748	623,644
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$ 634,478	\$ 631,374
	TOTAL LIABILITIES AND CAPITAL	\$ 2,699,632	\$ 2,588,205

* Includes Off-Site Improvement Fees

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
		9/30/2011	9/30/2012
461	Metered Water Revenue	\$ 488,327	\$ 576,831
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	5,550	3,349
	TOTAL REVENUES	\$ 493,876	\$ 580,180
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 148,293	\$ 164,216
610	Purchased Water	0	0
615	Purchased Power	72,381	52,382
618	Chemicals	1,168	1,111
620	Repairs and Maintenance	19,919	6,331
621	Office Supplies and Expense	25,652	15,844
630	Outside Services	88,908	21,878
635	Water Testing	5,939	5,433
641	Rents	10,962	11,068
650	Transportation Expenses	11,143	12,198
657	Insurance – General Liability	2,460	2,744
659	Insurance - Health and Life	11,211	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	11,411	11,518
403	Depreciation Expense *	82,770	124,972
408	Taxes Other Than Income	16,668	13,481
408.11	Property Taxes	22,538	22,633
409	Income Tax	50	50
	TOTAL OPERATING EXPENSES	\$ 531,473	\$ 465,859
	OPERATING INCOME/(LOSS)	\$ (37,596)	\$ 114,321
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 3,251	\$ 3,870
421	Non-Utility Income	83,693	3,587
426	Miscellaneous Non-Utility Expenses	0	(12,642)
427	Interest Expense	(115,032)	(112,239)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (28,088)	\$ (117,425)
	NET INCOME/(LOSS)	\$ (65,685)	\$ (3,104)

* Depreciation	\$144,158	\$144,266
Amortization of Debt Issuance Costs	9,281	9,281
Amortization of Contributions & Off-Site Improvement Fees	(70,669)	(28,575)
	-----	-----
	\$82,770	\$124,972
	-----	-----

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	4/1/2007			
Source of Loan	Water Infrastructure Financing Authority			
ACC Decision No.	69380 and 68718			
Reason for Loan	Arsenic Treatment Facility			
Dollar Amount Issued	\$ 1,981,160	\$	\$	\$
Amount Outstanding	As of 9/30/2012 \$ 1,656,101	\$	\$	\$
Date of Maturity	2/1/2027			
Interest Rate	6.6 %	%	%	%
Current Year Interest	\$ 111,797	\$	\$	\$
Current Year Principle	\$ 69,074	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 10,697

Meter Deposits Refunded During the Test Year \$ 3,092

*** Decision number 68718 dated March 1, 2006 authorized Las Quintas Serenas Water Company to borrow up to \$1,580,446 from WIFA for a term of 20 years at the prevailing interest rate. The purpose of this loan was to finance construction of arsenic treatment facilities. Decision number 69380 dated January 31, 2007 authorized Las Quintas Serenas Water Company to borrow up to \$400,714 from WIFA for a term of 20 years at a rate not to exceed 6.6% per annum. The purpose of this loan was to finance construction of additional storage and related transmission facilities. Pursuant to such authorizations, Las Quintas Serenas Water Company received funds of \$1,981,160 from WIFA which is the equivalent of the amount allowed by the two decisions. In that regard, WIFA opted to combine the two loans and accordingly both decision numbers have been listed as loan #1 above.

COMPANY NAME Las Quintas Serenas Water Company
Name of System: ADEQ Public Water System Number: 10064

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
#5-55608531	40	200	513-805	10" - 8"	4"	1976
#6-55608530	75	500	837	12"	4"	1971
#7-55566940	150	825	910	12"	8"	1998

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25 HP	4	N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
30,000 Gallons	1	1,000 Gallons	2
60,000 Gallons	1	2,500 Gallons	1
400,000 Gallons	1	3,000 Gallons	4

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Las Quintas Serenas Water Company
Name of System:	ADEQ Public Water System Number: 10064

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Copper	250
3	Transite	240
4	Transite	19,840
5	N/A	N/A
6	Transite	32,487
8	Transite	2,760
10	Transite	420
12	Transite	1,320
2	Plastic	1,550
4	Plastic	5,100
6	Plastic	25,158
8	Plastic	13,180
12	Plastic	1,950
6	Ductile Iron	575

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	797
3/4	8
1	21
1 1/2	7
2	2
Comp. 3	0
Turbo 3	0
Comp. 4	1
Turbo 4	0
Comp. 6	1
Turbo 6	0
Standpipe	145

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

TREATMENT EQUIPMENT:

1,276 gpm Arsenic Treatment Facility consisting of: 2ea 10'0" Diameter Absorption Tanks / 1 ea 12'0" x 16'4" Backwash/Rinsewater Holding Tank at Well #6

STRUCTURES:

Steel Portable Shed 8'x20' at Well No. 5

Steel Portable Shed 8'x40' at Well No. 7

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Las Quintas Serenas Water Company

Name of System:

ADEQ Public Water System Number: 10064

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1008	9,498,500	10,073,000	0
FEBRUARY	1017	8,026,100	8,784,000	0
MARCH	1012	8,779,100	9,640,000	0
APRIL	1010	9,618,300	11,041,000	0
MAY	1017	13,784,900	15,581,000	0
JUNE	1014	14,343,300	16,215,000	0
JULY	1014	17,359,100	19,925,000	0
AUGUST	1022	11,453,100	12,446,000	0
SEPTEMBER	1012	11,502,500	13,394,000	0
OCTOBER	1016	13,276,200	15,024,000	0
NOVEMBER	1016	10,450,700	11,430,000	0
DECEMBER	1008	9,357,200	10,584,000	0
TOTALS →		137,449,000	154,137,000	0

What is the level of arsenic for each well on your system? _____ mg/l

(If more than one well, please list each separately.) Well #5 0.0077, Well #6 Untreated - 0.0094/Treated - 0.0015
Well #7 Untreated - 0.0094/Treated - 0.0015

Results taken from Turner Labs analysis results 10/3/2012

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

Yes No Only when Wells Nos 6&7 start up, chlorination starts during actual pumping. Stops when Wells shut off.

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

Yes No

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

Yes No

If yes, provide the GPCPD amount: 121.0

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME:	
Name of System:	ADEQ Public Water System Number:

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	12	0
FEBRUARY	0	12	0
MARCH	0	0	0
APRIL	0	9	0
MAY	0	13	0
JUNE	0	15	0
JULY	0	18	0
AUGUST	0	17	0
SEPTEMBER	0	0	0
OCTOBER	0	29	0
NOVEMBER	0	16	0
DECEMBER	0	0	0
TOTALS →	0	141	0

OTHER (description):

Emergencies to include but not limited to waterline breaks, electrical outages, well(s) out of production, etc.

COMPANY NAME Las Quintas Serenas Water Company

YEAR ENDING 12/31/2012

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 22,555.27

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

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VERIFICATION AND SWORN STATEMENT Taxes

APR 15 2013

AZ CORP COMM Director - Utilities

VERIFICATION

STATE OF Arizona I, THE UNDERSIGNED OF THE

Form with fields: COUNTY OF (COUNTY NAME) Pima, NAME (OWNER OR OFFICIAL) TITLE Ray Romero, General Manager, COMPANY NAME Las Quintas Serenas Water Company

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

FOR THE YEAR ENDING

Table with columns: MONTH 12, DAY 31, YEAR 2012

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 Ray Romero, SIGNATURE OF OWNER OR OFFICIAL

(520) 625-8040 TELEPHONE NUMBER

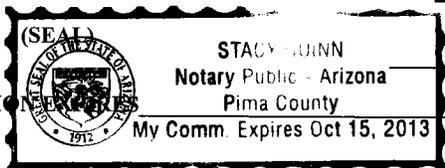
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12 DAY OF April

Form with fields: COUNTY NAME Pima, MONTH 2013

MY COMMISSION



Signature of Stacy Quinn, SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Las Quintas Serenas Water Company

YEAR ENDING 12/31/2012

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>
State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>50</u>
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

X *Ray Romero*
SIGNATURE

X 04/22/2013
DATE

Ray Romero
PRINTED NAME

General Manager
TITLE

RECEIVED

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

APR 15 2013

AZ CORP COMM Director - Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

Table with 3 rows: COUNTY OF (COUNTY NAME) Pima; NAME (OWNER OR OFFICIAL) TITLE Ray Romero, General Manager; COMPANY NAME Las Quintas Serenas Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Table with 3 columns: MONTH 12, DAY 31, YEAR 2012

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 REQUIREMENT 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 CALENDAR YEAR 2012 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ 629,556.29

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 53,354.02 IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

X [Signature] SIGNATURE OF OWNER OR OFFICIAL (520) 625-8040 TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12 DAY OF

Table with 2 rows: COUNTY NAME Pima; MONTH April, 2013

(SEAL)



STACY GREEN Notary Public - Arizona Pima County

My Comm. Expires Oct 15, 2013

[Signature] SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

APR 15 2013

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Ray Romero	TITLE General Manager
COMPANY NAME Las Quintas Serenas Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2012

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 40-401.01, 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 2012 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>576,202.27</u>

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 53,354.02
IN SALES TAXES BILLED, OR COLLECTED)

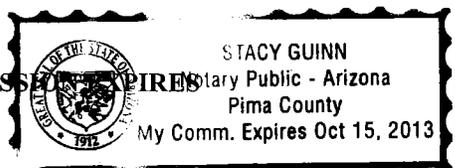
***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X Ray Romero
SIGNATURE OF OWNER OR OFFICIAL

(520) 625-8040
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 12 DAY OF

NOTARY PUBLIC NAME <u>Stacy Guinn</u>
COUNTY NAME <u>Pima</u>
MONTH <u>April</u> , 20 <u>13</u>

(SEAL)
MY COMMISSION EXPIRES


Stacy Guinn
SIGNATURE OF NOTARY PUBLIC