

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02181A  
Pine Valley Water Company  
480 Raintree Rd.  
Sedona, AZ 86351

RECEIVED

APR 17 2013

AZ CORPORATION  
Director Utilities

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

|    |    |      |
|----|----|------|
| 12 | 31 | 2012 |
|----|----|------|

FOR COMMISSION USE

|        |    |
|--------|----|
| ANN 04 | 12 |
|--------|----|

4-12-13

**COMPANY INFORMATION**

**Company Name (Business Name)** Pine Valley Water Company

**Mailing Address** 480 Raintree Rd  
(Street)  
Sedona AZ 86351  
(City) (State) (Zip)

928-284-1819 928-284-9311 928-451-1640  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Email Address** lllinaz@earthlink.net

**Local Office Mailing Address** SAME  
(Street)  
  
(City) (State) (Zip)

**Local Office Telephone No. (Include Area Code)** **Fax No. (Include Area Code)** **Cell No. (Include Area Code)**

**Email Address** \_\_\_\_\_

**MANAGEMENT INFORMATION**

**Regulatory Contact:**

**Management Contact:** Lance Wischmeier President  
(Name) (Title)

60 Raintree Rd Sedona AZ 86351  
(Street) (City) (State) (Zip)

928-284-2978 928-284-9311 928-451-1640  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Email Address** lllinaz@earthlink.net

**On Site Manager:** Judy Mandeville  
(Name)

480 Raintree Rd Sedona AZ 86351  
(Street) (City) (State) (Zip)

928-284-3340 928-284-9311 928-451-2803  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Statutory Agent:** LISA Wischmeier  
 (Name)

60 Raintree Rd Sedona AZ 86351  
 (Street) (City) (State) (Zip)

928-284-2978 928-284-9311 928-451-2804  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Attorney:** NA  
 (Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) 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 type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |   |                                   |

COMPANY NAME

Pine Valley Water Company

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION                            | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|-----------|--|--------------------|-------------------------------|-----------------------|
| 301       | Organization                           | 4298               | 4298                          | 0                     |
| 302       | Franchises                             | 75                 | N/A                           | 75                    |
| 303       | Land and Land Rights                   | 11,994             | N/A                           | 11,994                |
| 304       | Structures and Improvements            | 10,007             | 5850                          | 4157                  |
| 307       | Wells and Springs                      | 9872               | 9872                          | 0                     |
| 311       | Pumping Equipment                      | 51,394             | 51,394                        | 0                     |
| 320       | Water Treatment Equipment              | N/A                | N/A                           | N/A                   |
| 330       | Distribution Reservoirs and Standpipes | 14,857             | 13,373                        | 1484                  |
| 331       | Transmission and Distribution Mains    | 54,957             | 46,057                        | 8900                  |
| 333       | Services                               | 20,669             | 13,710                        | 6959                  |
| 334       | Meters and Meter Installations         | 7615               | 7615                          | 0                     |
| 335       | Hydrants                               | 4759               | 3822                          | 937                   |
| 336       | Backflow Prevention Devices            | N/A                | N/A                           | N/A                   |
| 339       | Other Plant and Misc. Equipment        | N/A                | N/A                           | N/A                   |
| 340       | Office Furniture and Equipment         | 644                | 644                           | 0                     |
| 341       | Transportation Equipment               |                    |                               |                       |
| 343       | Tools, Shop and Garage Equipment       |                    |                               |                       |
| 344       | Laboratory Equipment                   |                    |                               |                       |
| 345       | Power Operated Equipment               |                    |                               |                       |
| 346       | Communication Equipment                |                    |                               |                       |
| 347       | Miscellaneous Equipment                |                    |                               |                       |
| 348       | Other Tangible Plant                   |                    |                               |                       |
|           | <b>TOTALS</b>                          | <b>191,141</b>     | <b>156,635</b>                | <b>34,506</b>         |

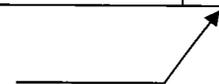
This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Pine Valley Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

| Acct. No. | DESCRIPTION                            | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|-----------|--|-------------------|-----------------------------|----------------------------|
| 301       | Organization                           | 4298              | complete                    | 0                          |
| 302       | Franchises                             | 75                | N/A                         | N/A                        |
| 303       | Land and Land Rights                   | 11,994            | N/A                         | N/A                        |
| 304       | Structures and Improvements            | 10,007            | 3.33                        | 333                        |
| 307       | Wells and Springs                      | 9872              | complete                    | 0                          |
| 311       | Pumping Equipment                      | 51,394            | complete                    | 0                          |
| 320       | Water Treatment Equipment              | N/A               | N/A                         | N/A                        |
| 330       | Distribution Reservoirs and Standpipes | 14,857            | 5.0                         | 743                        |
| 331       | Transmission and Distribution Mains    | 54,957            | 2.0                         | 1099                       |
| 333       | Services                               | 20,669            | 3.33                        | 688                        |
| 334       | Meters and Meter Installations         | 7615              | complete                    | 0                          |
| 335       | Hydrants                               | 4759              | 2.0                         | 95                         |
| 336       | Backflow Prevention Devices            | N/A               | N/A                         | N/A                        |
| 339       | Other Plant and Misc. Equipment        | N/A               | N/A                         | N/A                        |
| 340       | Office Furniture and Equipment         | 644               | complete                    | 0                          |
| 341       | Transportation Equipment               |                   |                             |                            |
| 343       | Tools, Shop and Garage Equipment       |                   |                             |                            |
| 344       | Laboratory Equipment                   |                   |                             |                            |
| 345       | Power Operated Equipment               |                   |                             |                            |
| 346       | Communication Equipment                |                   |                             |                            |
| 347       | Miscellaneous Equipment                |                   |                             |                            |
| 348       | Other Tangible Plant                   |                   |                             |                            |
|           | <b>TOTALS</b>                          | <b>191,141</b>    |                             | <b>2958</b>                |

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



COMPANY NAME Pine Valley Water Company

**BALANCE SHEET**

| Acct No. |   | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------|---|------------------------------|------------------------|
|          | <b>ASSETS</b>                               |                              |                        |
|          | <b>CURRENT AND ACCRUED ASSETS</b>           |                              |                        |
| 131      | Cash  | \$ 638.                      | \$ 2395.               |
| 134      | Working Funds                               |                              |                        |
| 135      | Temporary Cash Investments                  |                              |                        |
| 141      | Customer Accounts Receivable                | 13,921                       | 16,185                 |
| 146      | Notes/Receivables from Associated Companies |                              |                        |
| 151      | Plant Material and Supplies                 |                              |                        |
| 162      | Prepayments                                 |                              |                        |
| 174      | Miscellaneous Current and Accrued Assets    |                              |                        |
|          | <b>TOTAL CURRENT AND ACCRUED ASSETS</b>     | \$ 14,559                    | \$ 18,580              |
|          | <b>FIXED ASSETS</b>                         |                              |                        |
| 101      | Utility Plant in Service                    | \$ 191,141                   | \$ 191,141             |
| 103      | Property Held for Future Use                |                              |                        |
| 105      | Construction Work in Progress               |                              |                        |
| 108      | Accumulated Depreciation – Utility Plant    | 153,677                      | 156,635                |
| 121      | Non-Utility Property                        |                              |                        |
| 122      | Accumulated Depreciation – Non Utility      |                              |                        |
|          | <b>TOTAL FIXED ASSETS</b>                   | \$ 37,464                    | \$ 34,506              |
|          | <b>TOTAL ASSETS</b>                         | \$ 52,023                    | \$ 53,086              |

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

COMPANY NAME Pine Valley Water Company

**BALANCE SHEET (CONTINUED)**

| Acct. No. |   | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-----------|---|------------------------------|------------------------|
|           | <b>LIABILITIES</b>                                |                              |                        |
|           | <b>CURRENT LIABILITES</b>                         |                              |                        |
| 231       | Accounts Payable                                  | \$ 5434                      | \$ 10,475              |
| 232       | Notes Payable (Current Portion)                   |                              |                        |
| 234       | Notes/Accounts Payable to Associated Companies    |                              |                        |
| 235       | Customer Deposits                                 | 7,578                        | 7699                   |
| 236       | Accrued Taxes                                     | 399                          | 496                    |
| 237       | Accrued Interest                                  |                              |                        |
| 241       | Miscellaneous Current and Accrued Liabilities     |                              |                        |
|           | <b>TOTAL CURRENT LIABILITIES</b>                  | \$ 13,351                    | \$ 18,670              |
|           | <b>LONG-TERM DEBT (Over 12 Months)</b>            |                              |                        |
| 224       | Long-Term Notes and Bonds                         | \$                           | \$                     |
|           | <b>DEFERRED CREDITS</b>                           |                              |                        |
| 251       | Unamortized Premium on Debt                       | \$                           | \$                     |
| 252       | Advances in Aid of Construction                   |                              |                        |
| 255       | Accumulated Deferred Investment Tax Credits       |                              |                        |
| 271       | Contributions in Aid of Construction              |                              |                        |
| 272       | Less: Amortization of Contributions               |                              |                        |
| 281       | Accumulated Deferred Income Tax                   |                              |                        |
|           | <b>TOTAL DEFERRED CREDITS</b>                     | \$                           | \$                     |
|           | <b>TOTAL LIABILITIES</b>                          | \$ 13,351                    | \$ 18,670              |
|           | <b>CAPITAL ACCOUNTS</b>                           |                              |                        |
| 201       | Common Stock Issued                               | \$ 1000                      | \$ 1000                |
| 211       | Paid in Capital in Excess of Par Value            | 76,242                       | 76,242                 |
| 215       | Retained Earnings                                 | (38,570)                     | (42,826)               |
| 218       | Proprietary Capital (Sole Props and Partnerships) |                              |                        |
|           | <b>TOTAL CAPITAL</b>                              | \$ 38,672                    | \$ 34,416              |
|           | <b>TOTAL LIABILITIES AND CAPITAL</b>              | \$ 52023                     | \$ 53086               |

COMPANY NAME Pine Valley Water Company

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

| Acct. No. | OPERATING REVENUES                        | PRIOR YEAR | CURRENT YEAR |
|-----------|---|------------|--------------|
| 461       | Metered Water Revenue                     | \$ 88,434  | \$ 91,818    |
| 460       | Unmetered Water Revenue                   |            |              |
| 474       | Other Water Revenues                      |            |              |
|           | <b>TOTAL REVENUES</b>                     | \$ 88,434  | \$ 91,818    |
|           | <b>OPERATING EXPENSES</b>                 |            |              |
| 601       | Salaries and Wages                        | \$         | \$           |
| 610       | Purchased Water                           |            |              |
| 615       | Purchased Power                           | 8669.      | 8773.        |
| 618       | Chemicals                                 |            |              |
| 620       | Repairs and Maintenance                   |            |              |
| 621       | Office Supplies and Expense               |            |              |
| 630       | Outside Services                          | 63,142     | 65,625       |
| 635       | Water Testing                             |            |              |
| 641       | Rents                                     | 12,000     | 13,000       |
| 650       | Transportation Expenses                   |            |              |
| 657       | Insurance – General Liability             | 1283       | 1252         |
| 659       | Insurance - Health and Life               |            |              |
| 666       | Regulatory Commission Expense – Rate Case |            |              |
| 675       | Miscellaneous Expense                     | 301        | 1196         |
| 403       | Depreciation Expense                      | 2987       | 2958         |
| 408       | Taxes Other Than Income                   |            |              |
| 408.11    | Property Taxes                            | 2847       | 3071         |
| 409       | Income Tax                                |            |              |
|           | <b>TOTAL OPERATING EXPENSES</b>           | \$ 91,229  | \$ 96,074    |
|           | <b>OPERATING INCOME/(LOSS)</b>            | \$ (2,795) | \$ (4,256)   |
|           | <b>OTHER INCOME/(EXPENSE)</b>             |            |              |
| 419       | Interest and Dividend Income              | \$         | \$           |
| 421       | Non-Utility Income                        |            |              |
| 426       | Miscellaneous Non-Utility Expenses        |            |              |
| 427       | Interest Expense                          |            |              |
|           | <b>TOTAL OTHER INCOME/(EXPENSE)</b>       | \$         | \$           |
|           | <b>NET INCOME/(LOSS)</b>                  | \$ (2,795) | \$ (4,256)   |

COMPANY NAME

Pine Valley Water Company

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

|                        | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued            |         |         |         |         |
| Source of Loan         | N/A     |         |         |         |
| ACC Decision No.       |         |         |         |         |
| Reason for Loan        |         |         |         |         |
| Dollar Amount Issued   | \$      | \$      | \$      | \$      |
| Amount Outstanding     | \$      | \$      | \$      | \$      |
| Date of Maturity       |         |         |         |         |
| Interest Rate          | %       | %       | %       | %       |
| Current Year Interest  | \$      | \$      | \$      | \$      |
| Current Year Principle | \$      | \$      | \$      | \$      |

Meter Deposit Balance at Test Year End \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year \$ \_\_\_\_\_

|                 |                           |   |
|-----------------|---------------------------|---|
| COMPANY NAME    | Pine Valley Water Company |   |
| Name of System: | 04-13-103                 | ADEQ Public Water System Number: 55 627 209 |

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| 55-627-209      | 20              | 85               | 800 FF              | 8"                       | 3"                  | 1972         |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------|----------------|--|
|                     |                |  |
|                     |                |  |

| BOOSTER PUMPS |          | FIRE HYDRANTS     |                |
|---------------|----------|-------------------|----------------|
| Horsepower    | Quantity | Quantity Standard | Quantity Other |
| 10            | 1        | 67                | 1              |
| 7 1/2         | 1        |                   |                |
| 5             | 1        |                   |                |
| 1 1/2         | 1        |                   |                |

| STORAGE TANKS |          | PRESSURE TANKS |          |
|---------------|----------|----------------|----------|
| Capacity      | Quantity | Capacity       | Quantity |
| 166,000       | 1        | 5000 gal       | 1        |
| 40,000        | 1        |                |          |
|               |          |                |          |

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

|                        |                           |   |            |
|------------------------|---------------------------|---|------------|
| <b>COMPANY NAME</b>    | Pine Valley Water Company |   |            |
| <b>Name of System:</b> | 04-13-103                 | <b>ADEQ Public Water System Number:</b> | 55-627-209 |

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2                |          |                  |
| 3                |          |                  |
| 4                | PVC      | 8378             |
| 5                |          |                  |
| 6                | PVC      | 10031            |
| 8                |          |                  |
| 10               |          |                  |
| 12               |          |                  |
|                  |          |                  |
|                  |          |                  |
|                  |          |                  |
|                  |          |                  |
|                  |          |                  |
|                  |          |                  |
|                  |          |                  |
|                  |          |                  |

**CUSTOMER METERS**

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4        | 136      |
| 3/4              | 3        |
| 1                | 19       |
| 1 1/2            | 2        |
| 2                | 1        |
| Comp. 3          |          |
| Turbo 3          | 3 wells  |
| Comp. 4          |          |
| Turbo 4          |          |
| Comp. 6          |          |
| Turbo 6          |          |
|                  |          |
|                  |          |
|                  |          |
|                  |          |
|                  |          |
|                  |          |
|                  |          |

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

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

Pumphouse - Well head housings - Fences - Shop

OTHER:

Generator 1 1/2 HP Pump

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

|  |
|--|
| COMPANY NAME: <u>Pine Valley Water Company</u>                                       |
| Name of System: <u>04-13-103-</u> ADEQ Public Water System Number: <u>55-627-209</u> |

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012**

| MONTH     | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|-----------|---------------------|--------------------------|----------------------------|-------------------------------|
| JANUARY   | 163                 | 498870                   | 6261300                    |                               |
| FEBRUARY  | 164                 | 662281                   | 842500                     |                               |
| MARCH     | 163                 | 558879                   | 727600                     |                               |
| APRIL     | 162                 | 654830                   | 816400                     |                               |
| MAY       | 163                 | 957150                   | 1308300                    |                               |
| JUNE      | 164                 | 1365850                  | 1579400                    |                               |
| JULY      | 163                 | 1621320                  | 1920900                    |                               |
| AUGUST    | 163                 | 1397170                  | 1556800                    |                               |
| SEPTEMBER | 162                 | 1246140                  | 1516700                    |                               |
| OCTOBER   | 162                 | 1142040                  | 1229100                    |                               |
| NOVEMBER  | 162                 | 1161790                  | 1552400                    |                               |
| DECEMBER  | 163                 | 889150                   | 1007000                    |                               |
| TOTALS →  |                     | 12,554,700               | 139,781.0                  |                               |

What is the level of arsenic for each well on your system? 0.0266 mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
 Yes  No

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: \_\_\_\_\_

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

|   |
|---|
| <b>COMPANY NAME:</b> <i>Pine Valley Water Company</i>   |
| <b>Name of System:</b> <i>04-13-103</i> <b>ADEQ Public Water System Number:</b> <i>55-627-209</i> |

**UTILITY SHUTOFFS / DISCONNECTS**

| MONTH           | Termination without Notice<br>R14-2-410.B | Termination with Notice<br>R14-2-410.C | OTHER |
|-----------------|---|--|-------|
| JANUARY         | <i>N/A</i>                                |  |       |
| FEBRUARY        |   |  |       |
| MARCH           |   |  |       |
| APRIL           |   |  |       |
| MAY             |   |  |       |
| JUNE            |   |  |       |
| JULY            |   |  |       |
| AUGUST          |   |  |       |
| SEPTEMBER       |   |  |       |
| OCTOBER         |   |  |       |
| NOVEMBER        |   |  |       |
| DECEMBER        |   |  |       |
| <b>TOTALS →</b> |   |  |       |

OTHER (description):

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COMPANY NAME Pine Valley Water Company YEAR ENDING 12/31/2012

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2012 was: \$ 3071

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.

*END of Report*

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

APR 11 2013

ARIZONA CORPORATION  
Director Office

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED  
OF THE

|   |                  |
|---|------------------|
| COUNTY OF (COUNTY NAME)<br><u>YAVAPAI</u>                 |                  |
| NAME (OWNER OR OFFICIAL) TITLE<br><u>LANCE WISLHMEIER</u> | <u>PRESIDENT</u> |
| COMPANY NAME<br><u>PINE VALLEY WATER</u>                  |                  |

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

FOR THE YEAR ENDING

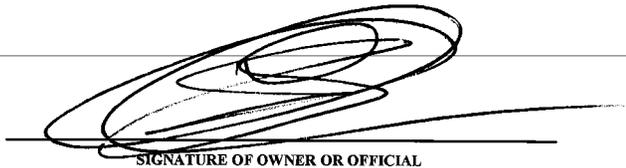
| MONTH | DAY | YEAR |
|-------|-----|------|
| 12    | 31  | 2012 |

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

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 OWNER OR OFFICIAL

928-284-1819

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 9 DAY OF

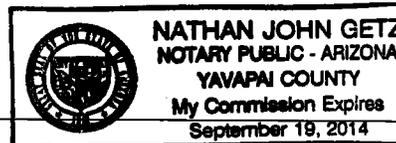
(SEAL)

MY COMMISSION EXPIRES Sept. 19 2014

|             |                |             |
|-------------|----------------|-------------|
| COUNTY NAME | <u>Yavapai</u> |             |
| MONTH       | <u>April</u>   | <u>2013</u> |



SIGNATURE OF NOTARY PUBLIC



COMPANY NAME Pine Valley Water Company YEAR ENDING 12/31/2012

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported 0  
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0  
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

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.

  
\_\_\_\_\_  
SIGNATURE

4-9-13  
\_\_\_\_\_  
DATE

LANCE WISCHMEIER  
\_\_\_\_\_  
PRINTED NAME

PRESIDENT  
\_\_\_\_\_  
TITLE

RECORDED  
APR 12 2013  
AZ CORP COM  
Director - Utilities

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

|   |
|---|
| COUNTY OF (COUNTY NAME)<br><u>YAVAPAI</u>                           |
| NAME (OWNER OR OFFICIAL) TITLE<br><u>LANCE WISCHMEIER PRESIDENT</u> |
| COMPANY NAME<br><u>PINE VALLEY WATER</u>                            |

**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.

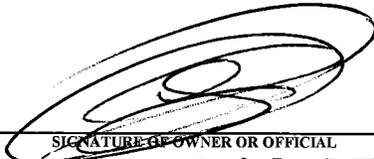
**SWORN STATEMENT**

IN ACCORDANCE WITH THE 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 (\$)<br>\$ <u>98,400</u> |
|---|

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 6,582 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)**

  
 \_\_\_\_\_  
 SIGNATURE OF OWNER OR OFFICIAL  
928-284-~~7777~~ 1819  
 TELEPHONE NUMBER

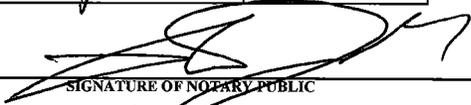
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

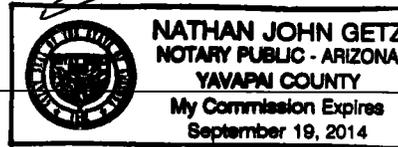
THIS 9 DAY OF

|                               |      |
|-------------------------------|------|
| COUNTY NAME<br><u>Yavapai</u> |      |
| MONTH<br><u>April</u>         | 2013 |

(SEAL)

  
 \_\_\_\_\_  
 SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Sept. 19 2014



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

RECEIVED  
APR 11 2013  
Arizona Department of  
Director

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

|   |                           |
|---|---------------------------|
| COUNTY OF (COUNTY NAME)<br><b>YAVAPAI</b>           |                           |
| NAME (OWNER OR OFFICIAL)<br><b>LANCE WISCHMEIER</b> | TITLE<br><b>PRESIDENT</b> |
| COMPANY NAME<br><b>PINE VALLEY WATER</b>            |                           |

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.

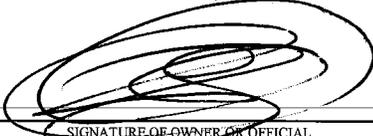
**SWORN STATEMENT**

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<br><br>\$ <u>98,400</u> |
|---|

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 6,582 IN SALES TAXES BILLED, OR COLLECTED)

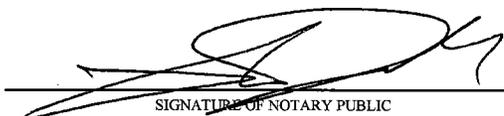
\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
928-284-1819  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS 9th DAY OF

|   |             |
|---|-------------|
| NOTARY PUBLIC NAME<br><b>Nathan J. Getz</b> |             |
| COUNTY NAME<br><b>Yavapai</b>               |             |
| MONTH<br><b>April</b>                       | <b>2013</b> |

(SEAL)  
MY COMMISSION EXPIRES sept 19 2014

  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

