

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

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

**W-03720A**  
**Water Utility of Northern Scottsdale, Inc.**  
**c/o Global Water Resources, Inc.**  
**21410 N. 19<sup>th</sup> Ave. Ste. 201**  
**Phoenix, AZ 85027**

RECEIVED

**APR 16 2014**

ACC UTILITIES DIRECTOR

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2013</b>
-----------	-----------	-------------

FOR COMMISSION USE

<b>ANN 04</b>	<b>13</b>
---------------	-----------

5-2-14

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Water Utility of Northern Scottsdale, Inc.</u>			
Mailing Address <u>21410 N. 19<sup>th</sup> Ave., Ste. 201</u>			
(Street)			
<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>	
(City)	(State)	(Zip)	
<u>623-580-9600</u>	<u>623-580-9659</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>ron.fleming@gwresources.com</u>			
<b>Local Office Mailing Address</b> <u>Same as above</u>			
(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

<input type="checkbox"/> <b>Regulatory Contact:</b> <u>Joanne Ellsworth</u>			
<input type="checkbox"/> <b>Management Contact:</b> <u>Ron Fleming</u> <u>President</u>			
(Name) (Title)			
<u>21410 N. 19<sup>th</sup> Ave. Ste. 201</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>
(Street)	(City)	(State)	(Zip)
<u>623-580-9600</u>	<u>623-580-9659</u>	<u>602-550-2717</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>ron.fleming@gwresources.com</u>			
<b>On Site Manager:</b> <u>Jon Corwin, General Manager</u>			
(Name)			
<u>201 East Coronado Street</u>	<u>Buckeye</u>	<u>AZ</u>	<u>85326</u>
(Street)	(City)	(State)	(Zip)
<u>520-233-2906</u>	<u>520-568-6367</u>	<u>602-885-2791</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>jon.corwin@gwresources.com</u>			

**Statutory Agent:** Cindy M. Bowers  
(Name)

21410 N. 19<sup>th</sup> Avenue, Suite 201 Phoenix AZ 85027  
(Street) (City) (State) (Zip)

623-580-9600 623-580-9659  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Attorney:** Timothy J. Sabo, Roshka DeWulf & Patten, PLC  
(Name)

400 E. Van Buren, Ste. 800 Phoenix AZ 85004  
(Street) (City) (State) (Zip)

602-256-6100 602-256-6800  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Email Address** tsabo@rdp-law.com

### 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

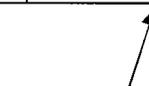
Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <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 checked="" 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 type="checkbox"/> YAVAPAI             | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization	-	-	-
302	Franchises	-	-	-
303	Land and Land Rights	30,374	-	30,374
304	Structures and Improvements	20,000	6,327	13,673
307	Wells and Springs	130,000	41,125	88,875
311	Pumping Equipment	216,926	208,678	8,248
320	Water Treatment Equipment	2,720	361	2,359
330	Distribution Reservoirs and Standpipes	183,483	38,624	144,859
331	Transmission and Distribution Mains	1,155,497	183,118	972,380
333	Services	60,047	15,820	44,227
334	Meters and Meter Installations	12,301	7,884	4,417
335	Hydrants	107,314	16,947	90,367
336	Backflow Prevention Devices	775	362	414
339	Other Plant and Misc. Equipment	2,390	1,036	1,354
340	Office Furniture and Equipment	-	-	-
341	Transportation Equipment	-	-	-
343	Tools, Shop and Garage Equipment	515	142	373
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
	<b>TOTALS</b>	<b>\$1,922,342</b>	<b>\$520,424</b>	<b>\$1,401,920</b>

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



**COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE, INC.**

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization	-	-	-
302	Franchises	-	-	-
303	Land and Land Rights	30,374	0%	-
304	Structures and Improvements	20,000	3.33%	666
307	Wells and Springs	130,000	3.33%	4,329
311	Pumping Equipment	216,926	12.5%	4,561
320	Water Treatment Equipment	2,720	3.33 or 20%	130
330	Distribution Reservoirs and Standpipes	183,483	2.22 or 5%	4,071
331	Transmission and Distribution Mains	1,155,497	2%	23,110
333	Services	60,047	3.33%	2,001
334	Meters and Meter Installations	12,301	8.33%	962
335	Hydrants	107,314	2%	2,146
336	Backflow Prevention Devices	775	6.67%	52
339	Other Plant and Misc. Equipment	2,390	6.67%	159
340	Office Furniture and Equipment	-	-	-
341	Transportation Equipment	-	-	-
343	Tools, Shop and Garage Equipment	515	5%	26
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
	<b>TOTALS</b>	<b>\$1,922,342</b>		<b>\$42,213</b>

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

**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	\$0	\$0
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	8,083	2,884
143	Accumulated Provision for Uncollectible Accounts	(785)	(40)
151	Plant Material and Supplies	0	0
162	Prepayments	1,782	1,782
173	Accrued Utility Revenues	4,769	8,587
174	Miscellaneous Current and Accrued Assets	0	621
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$13,849</b>	<b>\$13,834</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$1,921,063	\$1,922,342
103	Property Held for Future Use	0	0
105	Construction Work in Progress	768	1,035
108	Accumulated Depreciation – Utility Plant	(478,211)	(520,424)
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	<b>TOTAL FIXED ASSETS</b>	<b>\$1,443,620</b>	<b>\$1,402,953</b>
	<b>OTHER ASSETS</b>		
114	Utility Plant Acquisition Adjustments	0	0
132	Special Deposits	130	130
181	Unamortized Debt Discount & Expense	0	0
190	Accumulated Deferred Income Taxes	0	0
	<b>TOTAL OTHER ASSETS</b>	<b>130</b>	<b>130</b>
	<b>TOTAL ASSETS</b>	<b>\$1,457,599</b>	<b>\$1,416,917</b>

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
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$5,660	\$4,182
232	Notes Payable (Current Portion)	0	0
235	Customer Deposits	12,876	12,580
236	Accrued Taxes	1,465	2,195
237	Accrued Interest	965	1,306
241	Miscellaneous Current and Accrued Liabilities	3,177	3,504
253	Other Deferred Credits	1,009	726
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$25,152</b>	<b>\$24,493</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$0	\$0
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction	1,225,027	1,194,339
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	599,385	610,369
272	Less: Amortization of Contributions	7,009	(21,486)
281	Accumulated Deferred Income Tax	0	0
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$1,817,402</b>	<b>\$1,783,222</b>
	<b>TOTAL LIABILITIES</b>	<b>\$1,842,555</b>	<b>\$1,807,715</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$0	\$0
211	Paid in Capital in Excess of Par Value	(435,975)	(474,967)
215	Retained Earnings	51,019	84,169
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	<b>TOTAL CAPITAL</b>	<b>(\$384,956)</b>	<b>(\$390,798)</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$1,457,599</b>	<b>\$1,416,917</b>

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$143,230	\$147,795
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	861	1,590
	<b>TOTAL REVENUES</b>	<b>\$144,091</b>	<b>\$149,385</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$17,733	\$39,401
604	Employee Pension and Benefits	100	28
610	Purchased Water	0	0
615	Purchased Power	11,924	10,618
618	Chemicals	682	462
620	Materials and Supplies	2,513	2,228
621	Office Supplies and Expense	1,129	1,855
631	Contractual Services – Engineering	0	2
632	Contractual Services – Accounting	991	2,387
633	Contractual Services – Legal	890	2,993
634	Contractual Services – Management Fees	3,150	5,365
635	Contractual Services – Testing	1,044	672
636	Contractual Services – Other	458	1,313
641	Rents of Building	512	1,830
650	Transportation Expenses	2,054	1,665
657	Insurance – General Liability	1,872	2,709
658	Insurance – Workman’s Compensation	357	318
659	Insurance - Other	1,718	3,076
666	Regulatory Commission Expense – Amortization	0	0
667	Regulatory Commission Expense - Other	-54	1,155
670	Bad Debt Expense	619	(137)
675	Miscellaneous Expense	2,270	3,015
403	Depreciation Expense	53,387	42,213
403	Depreciation Expense – CIAC Amortization	(7,010)	(14,476)
408	Taxes Other Than Income	48	46
408.11	Property Taxes	3,018	3,887
408.12	Payroll Taxes	1,485	2,848
409	Income Tax	106,195	0
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$207,085</b>	<b>\$115,473</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>(\$62,994)</b>	<b>33,912</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	<b>Interest and Dividend Income</b>	\$0	\$0
421	Non-Utility Income	0	0

**COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE, INC.**

426	<b>Miscellaneous Non-Utility Expenses</b>	0	0
427	Interest Expense	(672)	(761)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>(\$672)</b>	<b>(\$761)</b>
	<b>NET INCOME/(LOSS)</b>	<b>(\$63,666)</b>	<b>\$33,151</b>

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

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
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	\$12,580
Meter Deposits Refunded During the Test Year	\$4,616

**COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE, INC.**

**Name of System: Granite Mountain**

**ADEQ Public Water System Number: AZ-04-07-179**

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-565172	50	80	1000	6	3	1997
55-583777	50	80	970	6	4	2001
55-586186	50	80	1000	8	3	2001

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
100	1		
25	2		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
250,000 GAL	1	5,000 GAL	1

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

**COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE, INC.**

**Name of System: Granite Mountain**

**ADEQ Public Water System Number: AZ-04-07-179**

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
6	PVC	129
8	PVC	15,418
10	PVC	9,752
12	PVC	6,810
16	PVC	70
6	UNK	46
8	UNK	8,137
10	UNK	7,051

**CUSTOMER METERS**

Size (in inches)	Quantity
1"	74
1.5"	5
2"	1

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

**TREATMENT EQUIPMENT:**

Chlorination System at each well

**STRUCTURES:**

Block Wall fences around facility

8' x 8' Storage Sheds

**OTHER:**

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

<b>COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE, INC.</b>	
<b>Name of System: Granite Mountain</b>	<b>ADEQ Public Water System Number: AZ-04-07-179</b>

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013**

<b>MONTH</b>	<b>NUMBER OF CUSTOMERS</b>	<b>GALLONS SOLD (Thousands)</b>	<b>GALLONS PUMPED (Thousands)</b>	<b>GALLONS PURCHASED (Thousands)</b>
<b>JANUARY</b>	74	730	873	
<b>FEBRUARY</b>	74	659	666	
<b>MARCH</b>	74	666	797	
<b>APRIL</b>	74	1,022	1,263	
<b>MAY</b>	74	1,189	1,462	
<b>JUNE</b>	74	1,361	1,707	
<b>JULY</b>	77	1,575	1,843	
<b>AUGUST</b>	77	1,655	1,752	
<b>SEPTEMBER</b>	77	1,586	1,196	
<b>OCTOBER</b>	77	1,244	1,774	
<b>NOVEMBER</b>	77	1,280	1,236	
<b>DECEMBER</b>	77	1,113	998	
<b>TOTALS →</b>		14,080	15,567	

What is the level of arsenic for each well on your system?

*(If more than one well, please list each separately.)*

ADWR #55-599204 (Granite Mtn #1)      5.7 ppm

ADWR #55-586186 (Granite Mtn #2)      3.4 ppm

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

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.***

**COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE, INC.**

**Name of System: Granite Mountain**

**ADEQ Public Water System Number: AZ-04-07-179**

**UTILITY SHUTOFFS / DISCONNECTS**

<b>MONTH</b>	<b>Termination without Notice R14-2-410.B</b>	<b>Termination with Notice R14-2-410.C</b>	<b>OTHER</b>
<b>JANUARY</b>	0	0	
<b>FEBRUARY</b>	0	0	
<b>MARCH</b>	0	0	
<b>APRIL</b>	0	0	
<b>MAY</b>	0	0	
<b>JUNE</b>	0	0	
<b>JULY</b>	0	0	
<b>AUGUST</b>	0	0	
<b>SEPTEMBER</b>	0	0	
<b>OCTOBER</b>	0	0	
<b>NOVEMBER</b>	0	0	
<b>DECEMBER</b>	0	0	
<b>TOTALS →</b>	0	0	

OTHER (description):

---

---

---

---

---

---

---

---

**COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE, INC.  
YEAR ENDING 12/31/2013**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2013 was: **\$3,530.10**

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. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

RECEIVED

APR 16 2014

ACC UTILITIES DIRECTOR

**VERIFICATION**

STATE OF ARIZONA            COUNTY OF MARICOPA  
I, THE UNDERSIGNED        RON FLEMING, PRESIDENT  
OF THE                        WATER UTILITY OF NORTHERN SCOTTSDALE, INC.

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	2013

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.

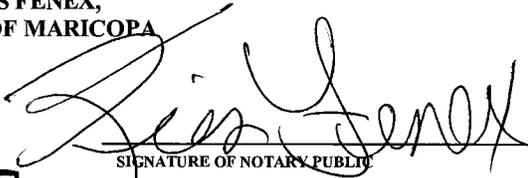
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

623-580-9600

\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME, KRIS FENEX,  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA  
THIS 15<sup>th</sup> DAY OF APRIL, 2014.

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

MY COMMISSION EXPIRES



**KRIS FENEX**  
Notary Public, State of Arizona  
Maricopa County  
My Commission Expires  
January 09, 2017

**COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE, INC.  
YEAR ENDING 12/31/2013**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported \$33,299  
Estimated or Actual Federal Tax Liability \$12,017

State Taxable Income Reported \$33,299  
Estimated or Actual State Tax Liability \$1,524

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \$0  
Amount of Gross-Up Tax Collected \$0  
Total Grossed-Up Contributions/Advances \$0

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**

April 15, 2014  
\_\_\_\_\_  
**DATE**

Ron Fleming  
\_\_\_\_\_  
**PRINTED NAME**

President  
\_\_\_\_\_  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED

APR 16 2014

ACC UTILITIES DIRECTOR

**VERIFICATION**

STATE OF ARIZONA      COUNTY OF MARICOPA  
I, THE UNDERSIGNED      RON FLEMING, PRESIDENT  
OF THE      WATER UTILITY OF NORTHERN SCOTTSDALE, INC.

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

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2013

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 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

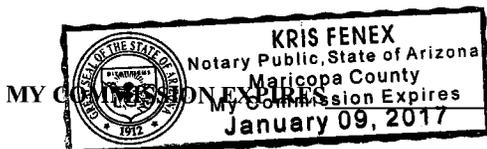
\$160,309

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$10,923  
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  
623-580-9600  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME, KRIS FENEX,  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA  
THIS 15<sup>th</sup> DAY OF APRIL, 2014.



  
SIGNATURE OF NOTARY PUBLIC

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

RECEIVED  
**APR 16 2014**  
ACC UTILITIES DIRECTOR

**VERIFICATION**

STATE OF ARIZONA            COUNTY OF MARICOPA  
I, THE UNDERSIGNED        RON FLEMING, PRESIDENT  
OF THE                            WATER UTILITY OF NORTHERN SCOTTSDALE, INC.

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

FOR THE YEAR ENDING	MONTH 12	DAY 31	YEAR 2013
---------------------	-------------	-----------	--------------

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 2013 WAS:

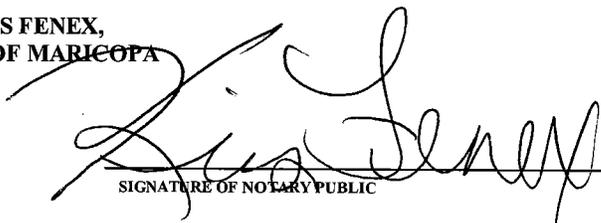
ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$160,309
--

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$10,923  
IN SALES TAXES BILLED, OR COLLECTED)

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

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
  
623-580-9600  
\_\_\_\_\_  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME, KRIS FENEX,  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA  
THIS 15<sup>th</sup> DAY OF APRIL, 2014.

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

 <b>KRIS FENEX</b> Notary Public, State of Arizona Maricopa County Commission Expires January 09, 2017
--

MY COMMISSION EXPIRES