

**ANNUAL REPORT**

Of

Company Name: Liberty Utilities (Black Mountain Sewer) Corp  
14920 W.Camelback Rd.

Mailing Address: Litchfield Park AZ  
85340

Docket No.: SW-02361A  
For the Year Ended: 12/31/19

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10/29/2020, 9:02 AM  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

**WASTEWATER 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: Corrected Filing  
Application Date: 10/29/2020

ARIZONA CORPORATION COMMISSION  
 WASTEWATER UTILITY ANNUAL REPORT  
 Liberty Utilities (Black Mountain Sewer) Corp  
 A Class  Utility

For the Calendar Year Ended: 12/31/19

Primary Address:   
 City:  State:  Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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

**Management Contact**

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

**On-Site Manager**

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

**NA**

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

**NA**

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

Ownership:

Counties Served:

**Important changes during the year**

No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	NA

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	NA

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	0	0	0	0	0	0
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	472,524	17,487	348,570	141,441	0	141,441
354	Structures and Improvements	3,014,776	1,994,273	784,276	4,224,773	1,335,888	2,888,885
355	Power Generation Equipment	9,000	0	0	9,000	2,151	6,849
360	Collections Wastewater - Force	1,197,263	4,304,366	482,097	5,019,532	107,822	4,911,710
361	Collections Wastewater - Gravity	4,787,993	913,272	108,990	5,592,275	3,839,843	1,752,432
362	Special Collecting Structures	3,052	855,551	93,166	765,437	(58,791)	824,228
363	Services to Customers	258,785	0	0	258,785	187,353	71,432
364	Flow Measuring Devices	63,044	58,758	53,163	68,639	(26,538)	95,177
365	Flow Measuring Installations	180,051	0	0	180,051	179,901	150
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	773,931	0	0	773,931	549,621	224,310
371	Pumping Equipment	1,108,201	576,072	347,219	1,337,054	625,475	711,579
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0
380	Treatment and Disposal Equipment	399,801	99,133	29,977	468,957	156,388	312,569
381	Plant Sewers	120,945	24,560	10,700	134,805	107,948	26,857
382	Outfall Sewer Lines	0	0	0	0	0	0
389	Other Plant and Misc. Equipment	940,462	122,138	59,992	1,002,608	835,574	167,034
390	Office Furniture and Equipment	84,740	0	0	84,740	64,075	20,665
390.1	Computer & Software	84,044	0	7,986	76,058	57,897	18,161
391	Transportation Equipment	54,942	131,610	65,888	120,664	(5,435)	126,099
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	36,082	0	2,005	34,077	8,634	25,443
394	Laboratory Equipment	14,835	0	616	14,219	5,820	8,399
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	134,742	7,063	1,699	140,106	85,553	54,553
397	Miscellaneous Equipment	6,892	0	0	6,892	2,412	4,480
398	Other Tangible Plant	486,294	0	486,294	0	0	0
	<b>Totals</b>	<b>\$14,232,397</b>	<b>\$9,104,283</b>	<b>\$2,882,638</b>	<b>\$20,454,042</b>	<b>\$8,061,591</b>	<b>\$12,392,451</b>

**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.

Liberty Utilities (Black Mountain Sewer) Corp  
Annual Report  
Depreciation Expense for the Current Year (Wastewater)  
12/31/19

Depreciation Expense for the Current Year (Wastewater)								
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
351	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
352	Franchises	0	0	0	0	\$0	0.00%	0
353	Land and Land Rights	472,524	17,487	348,570	141,441	\$141,441	0.00%	0
354	Structures and Improvements	3,014,776	1,994,273	784,276	4,224,773	\$0	3.33%	120,538
355	Power Generation Equipment	9,000	0	0	9,000	\$0	5.00%	450
360	Collections Wastewater - Force	1,197,263	4,304,366	482,097	5,019,532	\$0	2.00%	62,168
361	Collections Wastewater - Gravity	4,787,993	913,272	108,990	5,592,275	\$0	2.00%	103,803
362	Special Collecting Structures	3,052	855,551	93,166	765,437	\$0	2.00%	7,685
363	Services to Customers	258,785	0	0	258,785	\$0	2.00%	5,176
364	Flow Measuring Devices	63,044	58,758	53,163	68,639	\$10,444	10.00%	5,540
365	Flow Measuring Installations	180,051	0	0	180,051	\$179,622	10.00%	43
366	Reuse Services	0	0	0	0	\$0	2.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	\$0	8.33%	0
370	Receiving Wells	773,931	0	0	773,931	\$0	3.33%	25,772
371	Pumping Equipment	1,108,201	576,072	347,219	1,337,054	\$699,180	12.50%	65,431
374	Reuse Distribution Reservoirs	0	0	0	0	\$0	2.50%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	\$0	2.00%	0
380	Treatment and Disposal Equipment	399,801	99,133	29,977	468,957	\$74,206	5.00%	18,009
381	Plant Sewers	120,945	24,560	10,700	134,805	\$116,917	5.00%	548
382	Outfall Sewer Lines	0	0	0	0	\$0	3.33%	0
389	Other Plant and Misc. Equipment	940,462	122,138	59,992	1,002,608	\$942,570	6.67%	1,932
390	Office Furniture and Equipment	84,740	0	0	84,740	\$224,587	6.67%	(9,328)
390.1	Computer & Software	84,044	0	7,986	76,058	\$62,224	20.00%	3,565
391	Transportation Equipment	54,942	131,610	65,888	120,664	\$8,108	20.00%	15,939
392	Stores Equipment	0	0	0	0	\$0	4.00%	0
393	Tools, Shop and Garage Equipment	36,082	0	2,005	34,077	\$0	5.00%	1,754
394	Laboratory Equipment	14,835	0	616	14,219	\$2,416	10.00%	1,211
395	Power Operated Equipment	0	0	0	0	\$0	5.00%	0
396	Communication Equipment	134,742	7,063	1,699	140,106	\$33,616	10.00%	10,381
397	Miscellaneous Equipment	6,892	0	0	6,892	\$0	10.00%	689
398	Other Tangible Plant	486,294	0	486,294	0	\$0	10.00%	0
	<b>Subtotal</b>	<b>\$14,232,397</b>	<b>\$9,104,283</b>	<b>\$2,882,638</b>	<b>\$20,454,042</b>	<b>\$2,495,331</b>		<b>\$441,305</b>

Contribution(s) in Aid of Construction (Gross)	\$6,957,144
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	5,664,631
Amortizable Contribution(s)	<u>\$1,292,513</u>
Times: Proposed Amortization Rate	2.46%
<b>Amortization of CIAC</b>	\$31,761

Less: Amortization of CIAC \$31,761

**DEPRECIATION EXPENSE** **\$409,544**

**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.

Liberty Utilities (Black Mountain Sewer) Corp  
Annual Report  
Balance Sheet Assets  
12/31/19

<b>Balance Sheet Assets</b>				
	<b>Assets</b>		<b>Balance at Beginning of Year (2019)</b>	<b>Balance at End of Year (2019)</b>
<b>Account No.</b>	<b>Current and Accrued Assets</b>			
131	Cash		(\$2,271)	(\$516)
132	Special Deposits		358,131	362,749
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		32,506	28,036
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		(8,250)	(2,472)
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		8,309	5,501
173	Accrued Utility Revenue		191,249	233,116
174	Miscellaneous Current and Accrued Assets		0	0
	<b>Total Current and Accrued Assets</b>		<b>\$579,673</b>	<b>\$626,413</b>
	<b>Deferred Debits</b>			
186.1	Deferred Rate Case Expense		\$108,667	\$233,734
186.2	Other Deferred Debits		\$0	\$0
186.3	Regulatory Assets		844,137	3,830,806
	<b>Total Deferred Debits</b>		<b>\$952,804</b>	<b>\$4,064,540</b>
	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$14,232,397	\$20,454,042
103	Property Held for Future Use		0	0
105	Construction Work in Progress		8,738,855	320,328
108	Accumulated Depreciation (enter as negative)*		(10,116,966)	(8,061,591)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$12,854,286</b>	<b>\$12,712,779</b>
	<b>Total Assets</b>		<b>\$14,386,763</b>	<b>\$17,403,733</b>

**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 the adjusted end of year balance from AR4.

Liberty Utilities (Black Mountain Sewer) Corp  
 Annual Report  
 Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$0	\$52
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		6,877,889	7,810,155
235	Customer Deposits		0	0
236	Accrued Taxes		(50,523)	168,822
237	Accrued Interest		0	59,976
241	Miscellaneous Current and Accrued Liabilities		543,978	452,663
	<b>Total Current Liabilities</b>		<b>\$7,371,343</b>	<b>\$8,491,668</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$0	\$3,400,000
	<b>Total Long Term Debt</b>		<b>\$0</b>	<b>\$3,400,000</b>
	<b>Deferred Credits</b>			
252	Advances in Aid of Construction		\$209,346	\$225,739
253	Other Deferred Credits		373,748	399,656
253.1	Regulatory Liabilities		413,305	413,305
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		6,964,644	6,964,644
272	Less: Amortization of Contributions		(5,599,847)	(5,696,392)
281	Accumulated Deferred Income Tax		0	0
	<b>Total Deferred Credits</b>		<b>\$2,361,195</b>	<b>\$2,306,951</b>
	<b>Total Liabilities</b>		<b>\$9,732,538</b>	<b>\$14,198,619</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$1,009,680	\$1,009,680
211	Other Paid-In Capital		0	(3,400,000)
215	Retained Earnings		3,644,545	5,595,434
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>\$4,654,224</b>	<b>\$3,205,113</b>
	<b>Total Liabilities and Capital</b>		<b>\$14,386,763</b>	<b>\$17,403,733</b>

**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!

Liberty Utilities (Black Mountain Sewer) Corp  
Annual Report  
Wastewater Comparative Income Statement  
12/31/19

<b>Wastewater Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	<b>Operating Revenue</b>		
521	Flat Rate Revenues	\$2,474,520	\$2,480,325
522	Measured Revenues	0	0
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	13,290	11,106
	<b>Total Revenues</b>	<b>\$2,487,810</b>	<b>\$2,491,430</b>
	<b>Operating Expenses</b>		
701	Salaries and Wages	\$0	\$0
704	Employee Pensions and Benefits	0	0
710	Purchased Wastewater Treatment	203,011	205,549
711	Sludge Removal Expense	0	2,700
715	Purchased Power	25,127	65,592
716	Fuel for Power Production	0	0
718	Chemicals	0	12,019
720	Materials and Supplies	2,876	10,184
720.1	Repairs and Maintenance	111	0
720.2	Office Supplies and Expense	4,028	0
721	Office Expense	15,020	15,302
731	Contractual Services -Engineering	0	0
732	Contractual Services - Accounting	6,812	7,649
733	Contractual Services - Legal	2,666	1,801
734	Contractual Services - Management Fees	476,260	365,425
735	Contractual Services - Testing	15,238	23,143
736	Contractual Services - Other	217,934	331,765
740	Rents - Building	26,772	25,665
742	Rents - Equipment	0	0
750	Transportation Expenses	10,753	9,667
756	Insurance - Vehicles	1,754	2,132
757	Insurance - General Liability	9,384	7,086
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	0	0
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	7,088	4,497
775	Miscellaneous Expense	44,751	27,147
403	Depreciation Expense (From Schedule AR4)	409,544	387,038
407	Amortization of Regulatory Assets	114,333	114,333
408	Taxes Other Than Income	0	0
408.11	Property Taxes	53,577	50,713
408.12	Payroll Taxes	0	0
409	Income Taxes	193,209	324,746
	<b>Total Operating Expenses</b>	<b>\$1,840,248</b>	<b>\$1,994,154</b>
	<b>Operating Income / (Loss)</b>	<b>\$647,562</b>	<b>\$497,276</b>
	<b>Other Income / (Expense)</b>		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	0	0
420	AFUDC Income	96,201	105,056
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(45,957)	15,560
	<b>Total Other Income / (Expense)</b>	<b>\$50,244</b>	<b>\$120,617</b>
	<b>Net Income / (Loss)</b>	<b>\$697,805</b>	<b>\$617,893</b>

**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.



**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.7	0.0	0.7
Engineering Staff	0.0	0.3	0.0	0.3
System Operator(s)	0.0	2.0	0.0	2.0
Customer Service	0.0	1.0	0.0	1.0
Accounting	0.0	0.5	0.0	0.5
Business Office	0.0	0.2	0.0	0.2
Rates Department	0.0	0.1	0.0	0.1
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.1	0.0	0.1
<b>Total</b>	0.0	4.9	0.0	4.9

**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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Liberty Utilities (Black Mountain Sewer) Corp  
 Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/19

<b>Supplemental Financial Data (Long-Term Debt)</b>				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	6/27/2019	NA	NA	NA
Source of Loan	Liberty Utilities Co.	NA	NA	NA
ACC Decision No.	75510	NA	NA	NA
Reason for Loan	Approved Capital Structure	NA	NA	NA
Dollar Amt. Issued	\$ 3,400,000	NA	NA	NA
Amount Outstanding	\$ 3,400,000	NA	NA	NA
Date of Maturity	6/24/2029	NA	NA	NA
Interest Rate	3.36%	NA	NA	NA
Current Year Interest	\$ 99,744	NA	NA	NA
Current Year Principal	\$ -	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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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.**

Wastewater Utility Plant Description	
Name of System:	Liberty Utilities (Black Mountain Sewer) Corp.
Wastewater Inventory Number (if applicable):	APP100351
Type of Treatment	Extended Aeration
Design Capacity of Plant (Gallons per day)	160000GPD BMSC Facility/318,000 GPD Scottsdale

LIFT STATION FACILITIES					
Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
Commercial	2	35 HP	200	1080	*2018
CIE - No Longer Exists	N/A	N/A	N/A	N/A	NA
Indian Rock	2	6.5	100	470	*2018
Sage Brush	2	4	45	470	*2014
Trade Center	2	10	174	1000	2005
Sentinel Rock	2	15	370	1500	1999
Carefree Highway	2	20	150	1525	1997
Stage Coach Pass	2	11	50	470	*2019
Peaceful Place	2	3	15	470	*2010
Sunset Trails	2	20	150	2600	1998
El Pedregal	2	10	185	2000	1988
Ridgeview	2	7.5	100	470	1996
Canyon Crossings - New	2	4	85	1000	*2019
Carefree Village	2	2.7	85	1760	2003
Indian Basket	2	1	11	150	*2018
NA	NA	NA	NA	NA	*Upgrades

FORCE MAINS		
Size	Material	Length (Feet)
Unknown	ACP/PVC/DIP	3,581
1.5 inch	ACP	2,660
2 inch	ACP	5,352
2.5 inch	PVC	164
3 inch	PVC	685
4 inch	PVC	7,263
6 inch	PVC	39,327
8 inch	PVC	625
10 inch	PVC	1,188

MANHOLES	
Type	Quantity
Standard	1,069
Drop	20

CLEANOUTS	
Quantity	
36	
NA	
NA	
NA	

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

**Instructions:** Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Wastewater Utility Plant Description (Continued)					
GRAVITY MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	VCP/PVC/DIP/ABS	473	4	NA	2,074
6	VCP/PVC/DIP/ABS	12,457	6	NA	131
8	VCP/PVC/DIP/ABS	196,190	NA	NA	NA
10	VCP/PVC/DIP/ABS	3,145	NA	NA	NA
12	VCP/PVC/DIP/ABS	3,061	NA	NA	NA
15	VCP/PVC/DIP/ABS	1,708	NA	NA	NA
18	VCP/PVC/DIP/ABS	130	NA	NA	NA
21	VCP/PVC/DIP/ABS	74	NA	NA	NA
24	VCP/PVC/DIP/ABS	0	NA	NA	NA
30	VCP/PVC/DIP/ABS	0	NA	NA	NA
Unknown & 16	VCP/PVC/DIP/ABS	2,786	NA	NA	NA
2	VCP/PVC/DIP/ABS	473	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

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

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	N/A
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	Sodium Hypochlorite
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Rapid Sand Filter
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	Main Blower Bldg., Chlorine Bldg., Headworks Bldg., Concrete Black Wall (plant)
<b>Other</b> (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Odor Control Scrubber (Plant), Stand-by Generator (Portable); Lifting Crane Assembly; Chevy Pickup (x1); Ford Pickup (x2); Stand by Generators (Carefree Village, Commercial, New Trade Center)

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

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Liberty Utilities (Black Mountain Sewer) Corp  
 Annual Report  
 Wastewater Flows  
 12/31/19

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense <sup>1</sup>	Purchased Power (kWh) <sup>2</sup>
January	2,205	11,792,000	481,000	\$4,395	31,996
February	2,212	9,145,000	493,000	2,155	11,080
March	2,214	9,119,000	437,000	2,183	11,270
April	2,228	6,108,000	258,000	2,274	11,646
May	2,242	4,878,000	187,000	2,110	9,209
June	2,231	4,205,000	181,000	2,110	9,214
July	2,237	4,160,000	181,000	1,977	8,575
August	2,232	4,726,000	197,000	2,058	8,698
September	2,245	4,903,000	292,000	2,457	10,275
October	2,257	6,164,000	299,000	1,916	8,168
November	2,247	5,893,000	357,000	2,249	10,885
December	2,252	6,511,000	323,000	2,083	11,182
<b>Totals</b>		<b>77,604,000</b>	<b>3,686,000</b>	<b>\$27,966</b>	<b>142,198</b>

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Other
Groundwater Permit Number	NA
ADEQ Aquifer Protection Permit ("APP") Number	APP100351
ADEQ Reuse Permit Number	R105424
EPA NPDES Permil Number	NA
APP Effluent Treatment Requirement (Class)?	A+
Permitted Flow Rate	120000 GPD
Permitted Organic Capacity	NA
Hydraulic Capacity	NA
Type of Biological Treatment	N/A

In the space below, list all violations within the past 12 months:

NA
----

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

- |                                                                                           |
|-------------------------------------------------------------------------------------------|
| 1 Enter the total purchased power costs for the power meters associated with this system. |
| 2 Enter the total purchased kWh used by the power meters associated with this system.     |

**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.

**Other Wastewater System Information**

**Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).**

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:  
$$\text{ERC} = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated. Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

**NOTE:** Total gallons treated includes both treated and purchased treatment.

ERC   
Method used:

What is the present system connection capacity (in ERCs \*) using existing lines?

What is the future system connection capacity (in ERCs \*) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

Carefree Quarter would add 90,500 gallons on the average day or 1016 ERCs and is expected in 2021. The remaining build out is infill, no specific timeframe associated with that, estimated at 10% of existing ERCs.

If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

NA

If the utility does not engage in reuse, has a reuse feasibility study been completed?

If so, when?

NA

Liberty Utilities (Black Mountain Sewer) Corp  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/19

<b>Utility Shutoffs / Disconnects</b>	
Name of System:	Liberty Utilities (Black Mountain Sewer) Corp.
Wastewater Inventory Number (if applicable):	APP100351

Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Other (description):**

NA
----

**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.

Liberty Utilities (Black Mountain Sewer) Corp  
Annual Report  
Property Taxes  
12/31/19

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2019 was	\$53,577

If no property taxes paid, explain why.

NA

**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.



Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa  
Name (owner or official) title: Crystal Greene, Vice President, Finance  
Company name: Liberty Utilities (Black Mountain Sewer) Corp

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

FOR THE YEAR ENDING: 12/31/19

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.

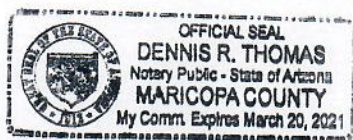
Crystal Greene  
signature of owner/official

623-298-3744  
telephone no.

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

THIS 08 DAY OF Maricopa  
September 2020  
(month) and (year)

MY COMMISSION EXPIRES 03/20/2021  
(date)



D. R. Thomas  
(signature of notary public)

**Verification and Sworn Statement**

**Verification:**

State of Arizona I, the undersigned of the  
(state name)  
County of (county name): Maricopa  
Name (owner or official) title: Crystal Greene, Vice President, Finance  
Company name: Liberty Utilities (Black Mountain Sewer) Corp

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)  
\$2,487,810  
(The amount in the box above includes  
\$0 in sales taxes  
billed or collected)

Crystal Greene  
signature of owner/official

623-298-3744  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Maricopa  
THIS 08 DAY OF September 2020  
(month) and (year)

MY COMMISSION EXPIRES 03/20/2021  
(date)



[Signature]  
(signature of notary public)

**Verification and Sworn Statement (Residential Revenue)**

**Verification:**

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

County of (county name): Maricopa  
Name (owner or official) title: Crystal Greene, Vice President, Finance  
Company name: Liberty Utilities (Black Mountain Sewer) Corp

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$2,093,865

(The amount in the box above includes

\$0 in sales taxes

billed or collected)

Crystal Greene  
signature of owner/official

623-298-3744

telephone no.

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

Maricopa  
(county name)

THIS

08

DAY OF

September 2020  
(month) and (year)

MY COMMISSION EXPIRES

03/20/2021  
(date)



[Signature]  
(signature of notary public)

**Gross-up Sharing Method for Income Tax Statement of Certification**

**Verification:**

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

County of (county name): Maricopa  
Name (owner or official) title: Crystal Greene, Vice President, Finance  
Company name: Liberty Utilities (Black Mountain Sewer) Corp

FOR THE YEAR ENDING: 12/31/19

**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

Crystal Greene  
signature of owner/official

623-298-3744  
telephone no.

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

(county name)

THIS 08 DAY OF September 2020

(month) and (year)

MY COMMISSION EXPIRES 03/20/2021

(date)



Dennis R. Thomas  
(signature of notary public)