

ANNUAL REPORT

Of

Company Name:
2200 E. River Rd., Ste. 115

Mailing Address: Tucson AZ
85718

Docket No.:
For the Year Ended:

**RECEIVED
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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:
Application Date:

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Red Rock Utilities, LLC
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:

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

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

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

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

Ownership:

Counties Served:

Important changes during the year

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.

No change in ownership or direct control during the year.

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.

No notification by any other regulatory authority during the year that the company is out of compliance.

| 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 | \$11,982 | \$0 | \$0 | \$11,982 | \$0 | \$11,982 |
| 352 | Franchises | 59,751 | 0 | 0 | 59,751 | 0 | 59,751 |
| 353 | Land and Land Rights | 6,539 | 0 | 0 | 6,539 | 0 | 6,539 |
| 354 | Structures and Improvements | 3,075,846 | 7,747 | 0 | 3,083,592 | 1,394,409 | 1,689,183 |
| 355 | Power Generation Equipment | 31,432 | 0 | 0 | 31,432 | 19,645 | 11,787 |
| 360 | Collections Wastewater - Force | 0 | 0 | 0 | 0 | 0 | 0 |
| 361 | Collections Wastewater - Gravity | 6,650,004 | (6,271) | 0 | 6,643,734 | 1,366,591 | 5,277,142 |
| 362 | Special Collecting Structures | 128,020 | 0 | 0 | 128,020 | 3,201 | 124,819 |
| 363 | Services to Customers | 0 | 0 | 0 | 0 | 0 | 0 |
| 364 | Flow Measuring Devices | 0 | 0 | 0 | 0 | 0 | 0 |
| 365 | Flow Measuring Installations | 0 | 0 | 0 | 0 | 0 | 0 |
| 366 | Reuse Services | 32,602 | 12,770 | 0 | 45,372 | 6,747 | 38,625 |
| 367 | Reuse Meters & Meter Installations | 0 | 0 | 0 | 0 | 0 | 0 |
| 370 | Receiving Wells | 0 | 0 | 0 | 0 | 0 | 0 |
| 371 | Pumping Equipment | 69,138 | 56,154 | 0 | 125,291 | 47,320 | 77,971 |
| 374 | Reuse Distribution Reservoirs | 280,410 | 6,121 | 0 | 286,531 | 78,462 | 208,069 |
| 375 | Reuse Trans. And Distr. Equipment | 840,547 | (51,754) | 10,695 | 778,097 | 174,588 | 603,509 |
| 380 | Treatment and Disposal Equipment | 2,232,133 | 396,142 | 0 | 2,628,274 | 1,436,115 | 1,192,159 |
| 381 | Plant Sewers | 0 | 0 | 0 | 0 | 0 | 0 |
| 382 | Outfall Sewer Lines | 0 | 0 | 0 | 0 | 0 | 0 |
| 389 | Other Plant and Misc. Equipment | 0 | 1,363 | 0 | 1,363 | 45 | 1,318 |
| 390 | Office Furniture and Equipment | 10,039 | 2,811 | 0 | 12,850 | 9,105 | 3,745 |
| 390.1 | Computer & Software | 0 | 13,511 | 0 | 13,511 | 11,117 | 2,393 |
| 391 | Transportation Equipment | 8,224 | 38,164 | 8,224 | 38,164 | 3,932 | 34,232 |
| 392 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 393 | Tools, Shop and Garage Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 394 | Laboratory Equipment | 2,601 | 4,727 | 0 | 7,327 | 2,308 | 5,020 |
| 395 | Power Operated Equipment | 0 | 0 | 0 | 0 | 19 | (19) |
| 396 | Communication Equipment | 882 | 94 | 0 | 976 | 944 | 32 |
| 397 | Miscellaneous Equipment | 0 | 4,413 | 0 | 4,413 | 221 | 4,192 |
| 398 | Other Tangible Plant | 22,853 | 38,679 | 1,387 | 60,145 | 13,179 | 46,967 |
| | Totals | \$13,463,001 | \$524,669 | \$20,306 | \$13,967,364 | \$4,567,948 | \$9,399,416 |

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.

Red Rock Utilities, LLC
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 | \$11,982 | \$0 | \$0 | \$11,982 | \$11,982 | 0.00% | \$0 |
| 352 | Franchises | 59,751 | 0 | 0 | 59,751 | 59,751 | 0.00% | 0 |
| 353 | Land and Land Rights | 6,539 | 0 | 0 | 6,539 | 6,539 | 0.00% | 0 |
| 354 | Structures and Improvements | 3,075,846 | 7,747 | 0 | 3,083,592 | 0 | 4.01% | 123,491 |
| 355 | Power Generation Equipment | 31,432 | 0 | 0 | 31,432 | 0 | 6.02% | 1,892 |
| 360 | Collections Wastewater - Force | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 361 | Collections Wastewater - Gravity | 6,650,004 | (6,271) | 0 | 6,643,734 | 0 | 1.98% | 131,540 |
| 362 | Special Collecting Structures | 128,020 | 0 | 0 | 128,020 | 0 | 2.00% | 2,560 |
| 363 | Services to Customers | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 364 | Flow Measuring Devices | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 365 | Flow Measuring Installations | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 366 | Reuse Services | 32,602 | 12,770 | 0 | 45,372 | 0 | 9.21% | 3,589 |
| 367 | Reuse Meters & Meter Installations | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 370 | Receiving Wells | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 371 | Pumping Equipment | 69,138 | 56,154 | 0 | 125,291 | 6,344 | 12.77% | 11,608 |
| 374 | Reuse Distribution Reservoirs | 280,410 | 6,121 | 0 | 286,531 | 0 | 2.50% | 7,086 |
| 375 | Reuse Trans. And Distr. Equipment | 840,547 | (51,754) | 10,695 | 778,097 | (10,695) | 0.75% | 6,167 |
| 380 | Treatment and Disposal Equipment | 2,232,133 | 396,142 | 0 | 2,628,274 | 0 | 3.67% | 89,272 |
| 381 | Plant Sewers | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 382 | Outfall Sewer Lines | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 389 | Other Plant and Misc. Equipment | 0 | 1,363 | 0 | 1,363 | 0 | 6.67% | 45 |
| 390 | Office Furniture and Equipment | 10,039 | 2,811 | 0 | 12,850 | 0 | 7.12% | 815 |
| 390.1 | Computer & Software | 0 | 13,511 | 0 | 13,511 | 0 | 21.06% | 1,423 |
| 391 | Transportation Equipment | 8,224 | 38,164 | 8,224 | 38,164 | 0 | 16.71% | 3,877 |
| 392 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 393 | Tools, Shop and Garage Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 394 | Laboratory Equipment | 2,601 | 4,727 | 0 | 7,327 | 158 | 10.77% | 518 |
| 395 | Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 396 | Communication Equipment | 882 | 94 | 0 | 976 | 882 | 19.06% | 9 |
| 397 | Miscellaneous Equipment | 0 | 4,413 | 0 | 4,413 | 0 | 10.00% | 221 |
| 398 | Other Tangible Plant | 22,853 | 38,679 | 1,387 | 60,145 | (1,387) | 9.98% | 4,281 |
| | Subtotal | \$13,463,001 | \$524,669 | \$20,306 | \$13,967,364 | \$73,573 | | \$388,393 |

| | |
|--|--|
| Contribution(s) in Aid of Construction (Gross) | \$6,484,565 |
| Less: Non Amortizable Contribution(s) | 0 |
| Fully Amortized Contribution(s) | 0 |
| Amortizable Contribution(s) | <u>\$6,484,565</u> |
| Times: Proposed Amortization Rate | 2.34% |
| Amortization of CIAC | \$152,053 |
| Less: Amortization of CIAC | <input type="text" value="\$152,053"/> |
| DEPRECIATION EXPENSE | <input type="text" value="\$236,339"/> |

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.

| Balance Sheet Assets | | | | |
|-----------------------------------|--|--|-------------------------------------|-------------------------------|
| Account No. | Assets | | Balance at Beginning of Year (2019) | Balance at End of Year (2019) |
| Current and Accrued Assets | | | | |
| 131 | Cash | | \$0 | \$0 |
| 132 | Special Deposits | | 0 | 0 |
| 133 | Other Special Deposits | | 128,020 | 128,020 |
| 134 | Working Funds | | 0 | 0 |
| 135 | Temporary Cash Investments | | 0 | 0 |
| 141 | Customer Accounts Receivable | | 44,636 | 24,677 |
| 142 | Other Accounts Receivable | | 0 | 0 |
| 143 | Accumulated Provision for Uncollectable Accounts | | (23,889) | (4,394) |
| 146 | Notes Receivable from Associated Companies | | (3,098) | 12,518 |
| 151 | Plant Material and Supplies | | 0 | 0 |
| 162 | Prepayments | | (228) | 373 |
| 173 | Accrued Utility Revenue | | 61,557 | 31,738 |
| 174 | Miscellaneous Current and Accrued Assets | | 115,269 | 0 |
| | Total Current and Accrued Assets | | \$322,267 | \$192,932 |
| Deferred Debits | | | | |
| 186.1 | Deferred Rate Case Expense | | \$0 | 0 |
| 190 | Accumulated Deferred Income Taxes | | 0 | 0 |
| | Total Deferred Debits | | \$0 | \$0 |
| Fixed Assets | | | | |
| 101 | Utility Plant in Service* | | \$13,463,001 | \$13,967,364 |
| 103 | Property Held for Future Use | | 0 | 0 |
| 105 | Construction Work in Progress | | 27,515 | 52,967 |
| 108 | Accumulated Depreciation (enter as negative)* | | (4,181,034) | (4,567,948) |
| 121 | Non-Utility Property | | 0 | 0 |
| 122 | Accumulated Depreciation - Non Utility | | 0 | 0 |
| | Total Fixed Assets | | \$9,309,482 | \$9,452,383 |
| Other Fixed Assets | | | | |
| 114 | Utility Plant Acquisition Adjustments | | \$0 | \$916,207 |
| | Total Other Fixed Assets | | \$0 | \$916,207 |
| | Total Assets | | \$9,631,749 | \$10,561,522 |

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.

Red Rock Utilities, LLC
Annual Report
Balance Sheet Liabilities and Owners Equity

| Balance Sheet Liabilities and Owners Equity | | | | |
|--|---|--|--|----------------------------------|
| | Liabilities | | Balance at Beginning of Year (2019) | Balance at End of Year (2019) |
| Account No. | Current Liabilities | | | |
| 231 | Accounts Payable | | \$29,773 | \$32,454 |
| 232 | Notes Payable (Current Portion) | | 0 | 0 |
| 234 | Notes Payable to Associated Companies | | 0 | 0 |
| 235 | Customer Deposits | | 0 | 0 |
| 236 | Accrued Taxes | | 24,763 | 27,142 |
| 237 | Accrued Interest | | 0 | 0 |
| 241 | Miscellaneous Current and Accrued Liabilities | | 31,636 | 84,242 |
| 253 | Other Deferred Credits | | 0 | 0 |
| | Total Current Liabilities | | \$86,172 | \$143,837 |
| | Long Term Debt | | | |
| 224 | Long Term Debt (Notes and Bonds) | | \$0 | \$0 |
| | Total Long Term Debt | | \$0 | \$0 |
| | Deferred Credits | | | |
| 252 | Advances in Aid of Construction | | \$1,529,054 | \$394,890 |
| 253 | Other Deferred Credits | | 128,020 | 128,020 |
| 255 | Accumulated Deferred Investment Tax Credits | | 0 | 0 |
| 271 | Contributions in Aid of Construction | | 5,398,503 | 6,484,565 |
| 272 | Less: Amortization of Contributions | | (166,706) | (313,789) |
| 281 | Accumulated Deferred Income Tax | | 677,882 | 766,863 |
| | Total Deferred Credits | | \$7,566,753 | \$7,460,549 |
| | Total Liabilites | | \$7,652,925 | \$7,604,386 |
| | Capital Accounts | | | |
| 201 | Common Stock Issued | | \$0 | \$0 |
| 211 | Other Paid-In Capital | | 2,846,280 | 3,624,809 |
| 215 | Retained Earnings | | (867,455) | (667,674) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | 0 | 0 |
| | Total Capital | | \$1,978,824 | \$2,957,136 |
| | Total Liabilities and Capital | | \$9,631,749 | \$10,561,522 |

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.

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Red Rock Utilities, LLC
Annual Report
Wastewater Comparative Income Statement
12/31/19

| Wastewater Comparative Income Statement | | | |
|--|---|------------------------------|---------------------------|
| Account No. | Calendar Year | Current Year 01/01/2019 - | Last Year 01/01/2018 - |
| | Operating Revenue | | |
| 521 | Flat Rate Revenues | \$859,121 | \$730,071 |
| 522 | Measured Revenues | 13,869 | 11,315 |
| 534 | Rents from Wastewater Property | 0 | 0 |
| 536 | Other Wastewater Revenues | 3,150 | 602 |
| | Total Revenues | \$876,140 | \$741,988 |
| | Operating Expenses | | |
| 701 | Salaries and Wages | \$171,109 | \$16,709 |
| 704 | Employee Pensions and Benefits | 14,225 | 17 |
| 710 | Purchased Wastewater Treatment | 0 | 0 |
| 711 | Sludge Removal Expense | 10,972 | 15,250 |
| 715 | Purchased Power | 63,883 | 61,983 |
| 716 | Fuel for Power Production | 0 | 0 |
| 718 | Chemicals | 11,009 | 0 |
| 720 | Materials and Supplies | 18,070 | 12,933 |
| 720.1 | Repairs and Maintenance | 24,602 | 30,172 |
| 720.2 | Office Supplies and Expense | 0 | 0 |
| 721 | Office Expense | 11,230 | 4,456 |
| 731 | Contractual Services -Engineering | 0 | 0 |
| 732 | Contractual Services - Accounting | 13,905 | 23,975 |
| 733 | Contractual Services - Legal | 9,878 | 4,401 |
| 734 | Contractual Services - Management Fees | 26,085 | 8,100 |
| 735 | Contractual Services - Testing | 10,923 | 10,072 |
| 736 | Contractual Services - Other | 28,793 | 362,454 |
| 740 | Rents - Building | 3,417 | 0 |
| 742 | Rents - Equipment | 158 | 0 |
| 750 | Transportation Expenses | 7,481 | 0 |
| 756 | | 0 | 0 |
| 757 | Insurance - General Liability | 11,814 | 4,842 |
| 758 | Insurance - Worker's Compensation | 1,786 | 5,052 |
| 759 | Insurance - Other | 0 | 228 |
| 760 | Advertising Expense | 290 | 0 |
| 766 | Regulatory Commission Expense - Rate Case | 0 | 0 |
| 767 | Regulatory Commission Expense - Other | 2,180 | 30 |
| 770 | Bad Debt Expense | 4,265 | 1,996 |
| 775 | Miscellaneous Expense | 37,810 | 12,208 |
| 403 | Depreciation Expense (From Schedule AR4) | 236,339 | 304,606 |
| 408 | Taxes Other Than Income | 4,067 | 350 |
| 408 | Taxes Other Than Income | 0 | 0 |
| 408.11 | Property Taxes | 53,423 | 50,794 |
| 408.12 | Payroll Taxes | 10,517 | 933 |
| 408.13 | Other Taxes and Licenses | 24 | 0 |
| 409 | Income Taxes | 85,839 | 677,882 |
| | Total Operating Expenses | \$874,093 | \$1,609,444 |
| | Operating Income / (Loss) | \$2,047 | (\$867,456) |
| | Other Income / (Expense) | | |
| 414 | Gain (Loss) on Dispositions | \$0 | \$0 |
| 419 | Interest and Dividend Income | 0 | 0 |
| 421 | Non-Utility Income | (149) | 0 |
| 426 | Miscellaneous Non-Utility (Expense) | (36) | 0 |
| 427 | Interest (Expense) | (3,280) | 0 |
| | Total Other Income / (Expense) | (\$3,464) | \$0 |
| | Net Income / (Loss) | (\$1,417) | (\$867,456) |

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 | 0.1 | 0.0 | 0.1 |
| Manager | 0.0 | 0.0 | 0.0 | 0.0 |
| Engineering Staff | 0.0 | 0.2 | 0.0 | 0.2 |
| System Operator(s) | 0.0 | 1.0 | 0.0 | 1.0 |
| Customer Service | 0.0 | 0.0 | 0.0 | 0.0 |
| Accounting | 0.0 | 0.1 | 0.0 | 0.1 |
| Business Office | 0.0 | 0.2 | 0.0 | 0.2 |
| Rates Department | 0.0 | 0.0 | 0.0 | 0.0 |
| Administrative Staff | 0.0 | 0.2 | 0.0 | 0.2 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.0 | 1.9 | 0.0 | 1.9 |

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.

| Supplemental Financial Data (Long-Term Debt) | | | | |
|---|---------|---------|---------|---------|
| | Loan #1 | Loan #2 | Loan #3 | Loan #4 |
| Date Issued | N/A | N/A | N/A | N/A |
| Source of Loan | N/A | N/A | N/A | N/A |
| ACC Decision No. | N/A | N/A | N/A | N/A |
| Reason for Loan | N/A | N/A | N/A | N/A |
| Dollar Amt. Issued | N/A | N/A | N/A | N/A |
| Amount Outstanding | N/A | N/A | N/A | N/A |
| Date of Maturity | N/A | N/A | N/A | N/A |
| Interest Rate | N/A | N/A | N/A | N/A |
| Current Year Interest | N/A | N/A | N/A | N/A |
| Current Year Principal | N/A | N/A | N/A | N/A |

| | |
|---|-----|
| Meter Deposit Balance at Test Year End: | \$0 |
|---|-----|

| | |
|---|-----|
| Meter Deposits Refunded During the Test Year: | \$0 |
|---|-----|

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: | Red Rock Utilities |
| Wastewater Inventory Number (if applicable): | 105421 |
| Type of Treatment | Other |
| Design Capacity of Plant (Gallons per day) | 300,000 |

| LIFT STATION FACILITIES | | | | | |
|--------------------------------|-------------------|---------------------|-------------------------------|--------------------------|------------------|
| Location | Quantity of Pumps | Horsepower Per Pump | Rated Capacity Per Pump (GPM) | Wet Well Capacity (gals) | Year Constructed |
| 33786 Spirit Ln (WRF) | 2 | 15 | 625 | 4680 | 2007 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |

| FORCE MAINS | | |
|--------------------|--------------|---------------|
| Size | Material | Length (Feet) |
| 8 inch | Ductile Iron | 60 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |
| 0 | NA | 0 |

| MANHOLES | |
|-----------------|----------|
| Type | Quantity |
| Standard | 155 |
| Drop | 0 |

| CLEANOUTS |
|------------------|
| Quantity |
| 6 |
| 0 |
| 0 |
| 0 |

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) | | | | | |
|--|--------------|---------------|-------------------|----------|----------|
| COLLECTION MAINS | | | SERVICES/LATERALS | | |
| Sizes (inches) | Material | Length (feet) | Size (inches) | Material | Quantity |
| 4 | NA | 0 | 4 | PVC | 856 |
| 6 | NA | 0 | 6 | PVC | 3 |
| 8 | PVC | 58,128 | 8 | 0 | 0 |
| 10 | NA | 0 | 10 | 0 | 0 |
| 12 | PVC | 2,670 | | | |
| 16 | PVC | 1,542 | | | |
| 18 | PVC | 6,314 | | | |
| 24 | Ductile Iron | 60 | | | |
| 30 | NA | 0 | | | |
| 18 | Ductile Iron | 308 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |
| 0 | NA | 0 | | | |

Wastewater Utility Plant Description (Continued)

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

| | |
|---|---|
| SOLIDS PROCESSING AND HANDLING FACILITIES | Noxon Centrifuge, Bright Belt Press |
| DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, | Sunlight Systems Ultra Violet Light |
| FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.) | Miami Filters Sand Filters |
| STRUCTURES (Buildings, Fences, Etc.) | Red Rock WRF Operations Building, Block Wall around WRF, Recycled Water Storage Lagoon |
| Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.) | Incubator, Muffle Furnace, Laboratory, Refrigerator, Oven, Nitrate Analyzer, PH Analyzer, Electric Scale, Fork Lift, Generac 350 KW Standby Generator |

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

| Wastewater Flows | | | | | |
|------------------|--------------------|-------------------------------------|-------------------------|--------------------------------------|------------------------------------|
| Month | Number of Services | Total Monthly Sewage Flow (Gallons) | Sewage Flow on Peak Day | Purchased Power Expense ¹ | Purchased Power (kWh) ² |
| January | 860 | 3,098,629 | 127,324 | \$5,017 | 44,700 |
| February | 872 | 2,872,839 | 142,669 | \$4,972 | 46,800 |
| March | 877 | 3,050,111 | 152,553 | \$4,898 | 44,100 |
| April | 879 | 3,072,000 | 132,000 | \$5,140 | 49,200 |
| May | 874 | 3,065,000 | 133,000 | \$5,822 | 47,400 |
| June | 875 | 2,806,000 | 104,000 | \$5,689 | 45,000 |
| July | 875 | 3,034,442 | 129,600 | \$6,049 | 51,300 |
| August | 875 | 3,042,543 | 131,589 | \$6,147 | 52,800 |
| September | 875 | 2,931,599 | 130,556 | \$6,201 | 52,800 |
| October | 875 | 3,010,532 | 134,398 | \$5,962 | 50,700 |
| November | 877 | 3,266,235 | 159,036 | \$5,029 | 49,500 |
| December | 878 | 3,392,931 | 149,306 | \$3,690 | 47,100 |
| Totals | | 36,642,861 | 1,626,031 | \$64,615 | 581,400 |

Provide the following information as applicable per wastewater system:

| | |
|---|-------------------------------|
| Method of Effluent Disposal | Other |
| Groundwater Permit Number | NA |
| ADEQ Aquifer Protection Permit ("APP") Number | P-105621 |
| ADEQ Reuse Permit Number | R-511243 |
| EPA NPDES Permil Number | AZMW25143 |
| APP Effluent Treatment Requirement (Class)? | A+ |
| Permitted Flow Rate | 300,000 gal mo. av. |
| Permitted Organic Capacity | 0.3MGD |
| Hydraulic Capacity | 0.3MGD |
| Type of Biological Treatment | Sequenced Batch Reactor (SBR) |

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

No violations within last 12 months. APP exceedances : Daily turbidity = 26, E.coli.= 1

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:
 $ERC = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$

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.

Currently no enlargements or improvements are scheduled for the Red Rock WRF. System includes 150,000 GPD SBR with 150,000 GPD redundant SBR for capacity and maintenance. ERC calculations were performed based on support provided by the following ACC contacts: Edna Luna Riza - Support Specialist; Brit Baxter - Excel Support & Andrew Smith - Engineer Supervisor.

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.

| | |
|---|--|
| RR Elementary – Lot 3: 0 MG | RR Elementary – Lot 4: 0.644 MG (1.976 AF) |
| RR Utilities – Lot 1: 0.595 MG (1.826 AF) | RR HOA – Lot 6: 0 MG |
| RR HOA – Lot 7: 3.012 MG (9.244 AF) | RR HOA – Lot 8: 0 MG |
| RR HOA – Lot 9: 0 MG | RR HOA – Lot 10: 2.898 MG (8.894 AF) |
| RR HOA – Sasco Road: 1.460 MG (4.481 AF) | RR HOA – Sasco and Aguirre: 0 MG |

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

If so, when?

0

Red Rock Utilities, LLC
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

| Utility Shutoffs / Disconnects | |
|--|--------------------|
| Name of System: | Red Rock Utilities |
| Wastewater Inventory Number (if applicable): | 105421 |

| 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 |
| Total | 0 | 0 | 0 |

Other (description):

| | |
|---|--|
| 0 | |
|---|--|

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.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2018 was

\$51,045

If no property taxes paid, explain why.

N/A

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

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: Joanne Ellsworth
Company name: Red Rock Utilities, LLC

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.

**RECEIVED
BY EMAIL**
4/15/2020, 02:35 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Joanne Ellsworth
signature of owner/official

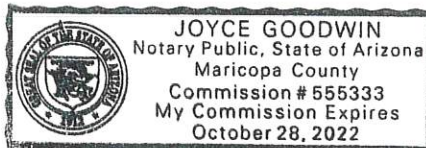
480-999-5247
telephone no.

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

THIS 15th DAY OF April, 2020
(month) and (year)

MY COMMISSION EXPIRES

October 28, 2022
(date)



[Signature]
(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: Joanne Ellsworth
Company name: Red Rock Utilities, LLC

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 (\$)
\$876,140
(The amount in the box above includes
\$0 in sales taxes
billed or collected)

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

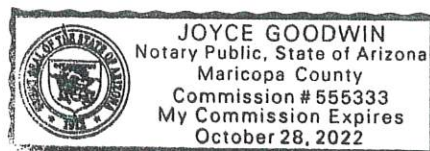
Joanne Ellsworth
signature of owner/official

480-999-5247
telephone no.

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

THIS 15th DAY OF April, 2020
(month) and (year)

MY COMMISSION EXPIRES October 28, 2022
(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: Joanne Ellsworth
Company name: Red Rock Utilities, LLC

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 (\$) \$835,011
(The amount in the box above includes \$0 in sales taxes billed or collected)

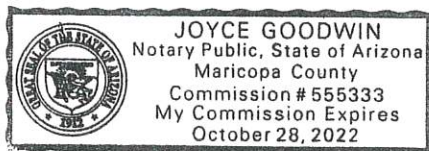
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UTILITIES DIVISION

Joanne Ellsworth
signature of owner/official
480-999-5247
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Maricopa
(county name)

THIS 15th DAY OF April, 2020
(month) and (year)

MY COMMISSION EXPIRES October 28, 2022
(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: Joanne Ellsworth
Company name: Red Rock Utilities, LLC

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 INCURRED OR 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.

**RECEIVED
BY EMAIL**

4/15/2020, 02:35 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Joanne Ellsworth
signature of owner/official

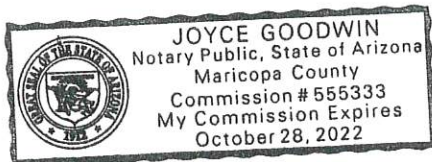
480-999-5247
telephone no.

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

Maricopa
(county name)

THIS 15th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES October 28, 2022
(date)



[Signature]
(signature of notary public)