

ANNUAL REPORT

2026 JUN 5 A 11:35

Of

Company Name:

Utility Source, LLC

20525 E. Chandler Heights Rd.

Mailing Address:

Queen Creek

AZ

85142-9500

Docket No.:

WS-04235A

For the Year Ended:

12/31/25

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@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:

Original Filing

Application Date:

3/26/2026

For the Calendar Year Ended: 12/31/25

Primary Address: 20525 E CHANDLER HEIGHTS ROAD
City: QUEEN CREEK State: Arizona Zip Code: 85142-9500

Telephone Number: 480-892-8756

Date of Original Organization of Utility: 6/23/2001

Person to whom correspondence should be addressed concerning this report:

Name: LONNIE MCCLEVE
Telephone No. : 480-892-8756
Address: 20525 E CHANDLER HEIGHTS ROAD
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City: 0 State: Arizona Zip Code: 0
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Telephone No. : 0
Address: 0
City: 0 State: Arizona Zip Code: 0
Email: 0

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.

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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.

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Utility Plant in Service (Water)

Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	1,646	0	0	1,646	0	1,646
303	Land and Land Rights	210,000	0	0	210,000	0	210,000
304	Structures and Improvements	116,367	0	0	116,367	68,979	47,388
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	2,938,302	0	0	2,938,302	1,939,592	998,710
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	248,687	0	0	248,687	26,587	222,100
310	Power Generation Equipment	89,125	0	0	89,125	89,125	0
311	Pumping Equipment	175,735	0	0	175,735	174,855	880
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	5,487	0	0	5,487	3,939	1,548
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	491,330	0	0	491,330	194,916	296,414
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	161,632	0	0	161,632	67,631	94,001
333	Services	86,250	0	0	86,250	61,748	24,502
334	Meters and Meter Installations	145,587	0	0	145,587	61,012	84,575
335	Hydrants	39,350	0	0	39,350	15,156	24,194
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	6,908	2,177	0	9,085	5,790	3,295
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$4,716,406	\$2,177	\$0	\$4,718,583	\$2,709,330	\$2,009,253

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.

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OC LD (OC less AD)
351	Organization	\$0	\$0	\$0	\$0	\$0	\$0
352	Franchises	1,646	0	0	1,646	0	1,646
353	Land and Land Rights	105,000	0	0	105,000	0	105,000
354	Structures and Improvements	56,350	0	0	56,350	40,337	16,013
355	Power Generation Equipment	2,879	0	0	2,879	2,879	0
360	Collections Wastewater - Force	303,036	0	0	303,036	30,478	272,558
361	Collections Wastewater - Gravity	1,042,568	0	0	1,042,568	214,717	827,851
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	60,375	0	0	60,375	25,969	34,406
364	Flow Measuring Devices	0	0	0	0	0	0
365	Flow Measuring Installations	3,450	0	0	3,450	3,450	0
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	0	0	0	0	0	0
371	Pumping Equipment	0	0	0	0	0	0
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	979,880	0	0	979,880	979,880	0
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	0	0	0	0	0
390	Office Furniture and Equipment	6,908	2,177	0	9,085	5,790	3,295
390.1	Computer & Software	0	0	0	0	0	0
391	Transportation Equipment	0	0	0	0	0	0
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	0	0	0	0	0	0
394	Laboratory Equipment	0	0	0	0	0	0
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	0	0	0	0	0	0
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$2,562,092	\$2,177	\$0	\$2,564,269	\$1,303,500	\$1,260,769

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.

Depreciation Expense for the Current Year (Water)								
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
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	1,646	0	0	1,646	1,646	0.00%	0
303	Land and Land Rights	210,000	0	0	210,000	210,000	0.00%	0
304	Structures and Improvements	116,367	0	0	116,367	0	3.33%	3,875
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	2,938,302	0	0	2,938,302	0	3.33%	97,845
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	248,687	0	0	248,687	0	2.00%	4,974
310	Power Generation Equipment	89,125	0	0	89,125	89,125	2.84%	0
311	Pumping Equipment	175,735	0	0	175,735	161,619	12.50%	1,765
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	5,487	0	0	5,487	0	3.33%	183
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	491,330	0	0	491,330	0	2.22%	10,908
330.2	Pressure Tanks	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	161,632	0	0	161,632	0	2.00%	3,233
333	Services	86,250	0	0	86,250	0	3.33%	2,872
334	Meters and Meter Installations	145,587	0	0	145,587	0	8.33%	12,127
335	Hydrants	39,350	0	0	39,350	0	2.00%	787
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	6,908	2,177	0	9,085	0	6.67%	533
340.1	Computer & Software	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$4,716,406	\$2,177	\$0	\$4,718,583	\$462,390		\$139,101

Contribution(s) in Aid of Construction (Gross)	\$1,216,979
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	264,051
Amortizable Contribution(s)	\$952,928
Times: Proposed Amortization Rate	3.27%
Amortization of CIAC	\$31,161

Less: Amortization of CIAC \$31,161

DEPRECIATION EXPENSE \$107,940

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	1,646	0	0	1,646	1,646	0.00%	0
353	Land and Land Rights	105,000	0	0	105,000	105,000	0.00%	0
354	Structures and Improvements	56,350	0	0	56,350	0	3.33%	1,876
355	Power Generation Equipment	2,879	0	0	2,879	2,879	0.00%	0
360	Collections Wastewater - Force	303,036	0	0	303,036	0	2.00%	6,061
361	Collections Wastewater - Gravity	1,042,568	0	0	1,042,568	0	2.00%	20,851
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	60,375	0	0	60,375	0	2.00%	1,208
364	Flow Measuring Devices	0	0	0	0	0	0.00%	0
365	Flow Measuring Installations	3,450	0	0	3,450	3,450	0.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0.00%	0
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	0	0	0	0	0	0.00%	0
380	Treatment and Disposal Equipment	979,880	0	0	979,880	0	4.30%	42,105
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	0	0	0	0	0.00%	0
390	Office Furniture and Equipment	6,908	2,177	0	9,085	0	6.67%	533
390.1	Computer & Software	0	0	0	0	0	0.00%	0
391	Transportation Equipment	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0.00%	0
395	Power Operated Equipment	0	0	0	0	0	0.00%	0
396	Communication Equipment	0	0	0	0	0	0.00%	0
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$2,562,092	\$2,177	\$0	\$2,564,269	\$112,975		\$72,635

Contribution(s) in Aid of Construction (Gross)	\$197,973
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	123,665
Amortizable Contribution(s)	\$74,308
Times: Proposed Amortization Rate	3.00%
Amortization of CIAC	\$2,229

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Utility Source, LLC
Annual Report
Balance Sheet Assets
12/31/25

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Account No.	Current and Accrued Assets			
131	Cash		\$543,940	\$591,251
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		309,846	313,625
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$853,786	\$904,876
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$7,278,498	\$7,282,852
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)**		(3,801,095)	(4,012,830)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$3,477,403	\$3,270,022

	Deferred Debits			
181	Unamortized Debt Discount and Expense		\$0	\$0
186	Deferred Debits		0	0
190	Accumulated Deferred Income Tax		0	0
	Total Deferred Debits		\$0	\$0
	Total Assets		\$4,331,189	\$4,174,898

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 AR3 UPIS Page 4w

Utility Source, LLC
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
Account No.	Liabilities		Balance at Beginning of Year (2025)	Balance at End of Year (2025)
Current Liabilities				
231	Accounts Payable		\$2,084	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		38,700	42,500
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		122,546	145,796
	Total Current Liabilities		\$163,330	\$188,296
Long Term Debt				
224	Long Term Debt (Notes and Bonds)		\$0	\$0
Deferred Credits				
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		633,000	633,000
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,409,188	1,414,952
272	Less: Amortization of Contributions		(387,717)	(421,107)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$1,654,471	\$1,626,845
	Total Liabilities		\$1,817,801	\$1,815,141
Capital Accounts				
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		1,335,448	1,847,068
218	Proprietary Capital (Sole Props and Partnerships)		1,177,940	512,689
	Total Capital		\$2,513,388	\$2,359,757
	Total Liabilities and Capital		\$4,331,189	\$4,174,898

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!

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2025 - 12/31/2025	Last Year 01/01/2024 - 12/31/2024
	Operating Revenue		
461	Metered Water Revenue	\$478,789	\$440,343
460	Unmetered Water Revenue	333,398	320,991
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	2,375	3,617
	Total Revenues	\$814,562	\$764,951
	Operating Expenses		
601	Salaries and Wages	\$63,792	\$64,063
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	180,130	160,211
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	89,183	3,784
620.2	Office Supplies and Expense	32,630	29,007
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	2,533	5,767
633	Contractual Services - Legal	3,361	3,072
634	Contractual Services - Management Fees	24,791	24,301
635	Contractual Services - Water Testing	530	1,650
636	Contractual Services - Other	3,135	4,751
640	Rents	0	0
641	Rental of Building/Real Property	7,932	7,932
642	Rental of Equipment	0	0
650	Transportation Expenses	3,082	3,000
657	Insurance - General Liability	7,279	7,390
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	1,132	60,096
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	107,940	131,850
408	Taxes Other Than Income	7,924	8,160
408.11	Property Taxes	26,092	25,902
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	153	110
	Total Operating Expenses	\$561,619	\$541,046
	Operating Income / (Loss)	\$252,943	\$223,905
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(100)	(69)
	Total Other Income / (Expense)	(\$100)	(\$69)

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2025 -	Last Year 01/01/2024 -
	Operating Revenue		
521	Flat Rate Revenues	\$408,463	\$396,727
522	Measured Revenues	235,809	215,304
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	2,342	3,611
	Total Revenues	\$646,614	\$615,642
	Operating Expenses		
701	Salaries and Wages	\$63,792	\$64,063
704	Employee Pensions and Benefits	0	0
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	25,952	66,065
715	Purchased Power	45,556	52,431
716	Fuel for Power Production	0	0
718	Chemicals	0	0
720	Materials and Supplies	4,534	7,376
720.1	Repairs and Maintenance	661	706
720.2	Office Supplies and Expense	25,964	24,118
721	Office Expense	0	0
731	Contractual Services -Engineering	0	0
732	Contractual Services - Accounting	2,533	5,767
733	Contractual Services - Legal	3,361	3,072
734	Contractual Services - Management Fees	72,500	72,500
735	Contractual Services - Testing	22,890	21,135
736	Contractual Services - Other	3,135	4,751
740	Rents - Building	7,932	7,932
742	Rents - Equipment	0	0
750	Transportation Expenses	3,224	3,800
757	Insurance - General Liability	7,279	7,390
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	1,307	60,286
775	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	70,406	76,698
408	Taxes Other Than Income	197	0
408.11	Property Taxes	21,019	19,085
408.12	Payroll Taxes	5,150	4,970
409	Income Taxes	0	0
	Total Operating Expenses	\$387,392	\$502,145
	Operating Income / (Loss)	\$259,222	\$113,497
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	0	0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(153)	(230)
	Total Other Income / (Expense)	(\$153)	(\$230)

Water Full time equivalent employees

	Direct Company	Outside service	Total
President	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0
Manager	1.0	0.0	1.0
Engineering Staff	0.0	0.0	0.0
System Operator(s)	0.0	1.0	1.0
Meter reader	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0
Accounting	0.0	2.0	2.0
Business Office	0.0	4.0	4.0
Rates Department	0.0	0.0	0.0
Administrative Staff	2.0	0.0	2.0
Other	0.0	0.0	0.0
Total	3.0	7.0	10.0

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

Sewer Full time equivalent employees

	Direct Company	Outside service	Total
President	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0
Manager	1.0	0.0	1.0
Engineering Staff	0.0	0.0	0.0
System Operator(s)	0.0	1.0	1.0
Customer Service	0.0	0.0	0.0
Accounting	0.0	2.0	2.0
Business Office	0.0	4.0	4.0
Rates Department	0.0	0.0	0.0
Administrative Staff	2.0	0.0	2.0
Other	0.0	0.0	0.0
Total	3.0	7.0	10.0

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. 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	1/0/1900	1/0/1900	1/0/1900	1/0/1900
Source of Loan	0	0	0	0
ACC Decision No.	0	0	0	0
Reason for Loan	0	0	0	0
Dollar Amt. Issued	\$0	0	0	0
Amount Outstanding	\$0	0	0	0
Date of Maturity	1/0/1900	0	0	0
Interest Rate	0.00%	0	0	0
Current Year Interest	\$0	0	0	0
Current Year Principal	\$0	0	0	0

Meter Deposit Balance at Test Year End:	\$42,500
---	----------

Meter Deposits Refunded During the Test Year:	\$5,700
---	---------

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.

Well and Water Usage

Name of the System:	FLAGSTAFF MEADOWS
---------------------	-------------------

ADEQ Public Water System Number:	AZ0414004
----------------------------------	-----------

ADWR PCC Number: 91-000107.0000

[illegible]

Name of system water delivered to: NA

ADWR PCC Number: #N/A

Source of water delivered to another system	NA
---	----

Name of system water received from: [NA]

ADWR PCC Number: #N/A

Source of water received	NA
--------------------------	----

Well registry 55# (55-XXXXXX):	0
--------------------------------	---

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense6	Purchased Power (KWh)
January	3,794,514	3,396,146	0	0	0	\$13,040	105,120
February	3,838,786	3,584,301	0	0	0	12,798	88,080
March	2,243,826	2,254,195	0	0	0	9,837	69,320
April	4,375,569	3,894,934	0	0	0	10,279	74,040
May	4,821,579	4,344,158	0	0	0	15,673	111,240
June	5,446,848	4,773,331	0	0	0	16,591	118,800
July	4,454,538	4,407,815	0	0	0	18,781	160,160
August	3,573,413	3,272,356	0	0	0	16,621	136,740
September	4,243,910	4,294,586	0	0	0	16,924	123,440
October	3,368,213	3,451,392	0	0	0	16,841	127,880
November	2,906,685	3,688,139	0	0	0	16,833	139,520
December	3,402,012	2,937,079	0	0	0	15,912	124,280
Totals							

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

10

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.

1 Water withdrawn - Total acre feet of water withdrawn from pumped sources.

2 Water sold - Total acre feet from customer meters, and other sales such as construction water.

3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.

4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.

4. Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.

6 Enter the total purchased power costs for the power meters associated with this system.

7 Enter the total purchased kWh used by the power meters associated with this system.

Name of the System:	FLAGSTAFF MEADOWS	
ADEQ Public Water System Number:	AZ0414004	
ADWR PCC Number:	91-000107.0000	

[illegible]

FIRE HYDRANTS	
Type	Quantity
Standard *	47
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
442,000	0	1	
258,000	0	1	
0	0	0	
0	0	0	
0	0	0	

PRESSURE/BLADDER TANKS			
Capacity	Material	Quantity	Year
200		1	

Page 12w

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

TREATMENT EQUIPMENT:	PERISTALTIC PUMP FOR CL2 INJECTION
STRUCTURES:	ONE PUMP HOUSE, 3 WELL HOUSES & STORAGE FACILITY, 6' RETAINING WALL AROUND FACILITY - 400' INN LENGTH WITH ROLLING GATE
OTHER:	N/A

Customer and Other Information

Name of the System:	FLAGSTAFF MEADOWS	
ADEQ Public Water System Number:	AZ0414004	
ADWR PCC Number:	91-000107.0000	

Month	Number of Customers					Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation		
January	650	2	3	2		1
February	648	2	3	2		1
March	650	2	3	2		1
April	649	2	3	2		1
May	649	2	3	2		1
June	650	2	3	2		1
July	647	2	3	2		1
August	649	2	3	2		1
September	650	2	3	2		1
October	653	2	3	2		1
November	653	2	3	2		1
December	653	2	3	2		1

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

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

If yes, provide the GPCPD amount:

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

If yes, which AMA?

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

0

Utility Source, LLC
Annual Report
Utility Shutoffs / Disconnects
12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	FLAGSTAFF MEADOWS
ADEQ Public Water System Number:	AZ0414004
ADWR PCC Number:	91-000107.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.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.

Wastewater Utility Plant Description

Name of System:	FLAGSTAFF MEADOWS WASTEWATER TREATMENT	
Wastewater Inventory Number (if applicable):	N/A	
Type of Treatment	Extended Aeration	
Design Capacity of Plant (Gallons per day)	37500GPD Plant 1	
	100,000 GPD Plant 2	

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
Pilot travel Center	2	1.5	50	1500	
Flagstaff Meadows WW	2	3	150	8000	
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)
4 inch	509-36	2,200

MANHOLES

Type	Quantity
Standard	101
Drop	0

CLEANOUTS

Quantity
1
0
0
0

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

[illegible]

SOLIDS PROCESSING AND HANDLING FACILITIES	21,928 gallon sludge holding tank - storage hauled away 35,000 gallon sludge holding tank - storage hauled away
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	1 Peristaltic chemical pump
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Mixed media filter continuous backwash
STRUCTURES (Buildings, Fences, Etc.)	700 sq ft building 2 -12' wide rolling gates 6' cinder block fence, 376' in length, centrifuge
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Backup generator, microscope, do/ph meter, centrifuge

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

12/31/25

Name of System:	FLAGSTAFF MEADOWS WASTEWATER TREATME
Wastewater Inventory Number (if applicable):	N/A

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	658	3,346,800	127,100	\$3,718	31,137
February	656	3,114,200	159,300	3,366	27,619
March	658	3,530,700	138,500	2,972	23,558
April	657	3,626,500	133,800	3,060	24,952
May	657	3,733,600	141,400	3,449	24,568
June	658	3,753,700	141,800	4,048	26,811
July	655	4,131,800	150,600	4,444	34,782
August	657	4,325,600	155,700	4,143	31,060
September	658	4,191,100	167,100	4,445	31,666
October	661	4,343,800	160,100	4,186	29,297
November	661	4,276,100	159,700	4,016	33,230
December	661	4,045,900	157,200	3,749	31,030
	Totals	46,419,800	1,792,300	\$45,596	349,710

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal

Groundwater Permit Number

ADEQ Aquifer Protection Permit ("APP") Number

ADEQ Reuse Permit Number

EPA NPDES Permit Number

APP Effluent Treatment Requirement (Class)?

Permitted Flow Rate

Permitted Organic Capacity

Hydraulic Capacity

Type of Biological Treatment

Surface Water

Discharge

N/A

P104083

R104083

AZ 0024708

0

0

0%

0%

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

0

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.

Utility Source, LLC
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/25

Utility Shutoffs / Disconnects	
Name of System:	FLAGSTAFF MEADOWS WASTEWATER TREATMENT
Wastewater Inventory Number (if applicable):	N/A

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 2025 was

\$47,111

If no property taxes paid, explain why.

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.

Sewer Verification and Certification (Taxes)

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

County of (county name): COCONINO
Name (owner or official) title: LONNIE MCCLEVE
Company name: Utility Source, LLC

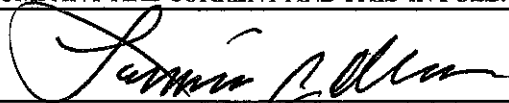
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/25

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.

Certification: I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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



signature of owner/official

480-892-8756
telephone no.

Water Verification and Certification (Taxes)

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

County of (county name):

Coconino

Name (owner or official) title:

LONNIE MCCLEVE

Company name:

Utility Source, LLC

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

FOR THE YEAR ENDING:

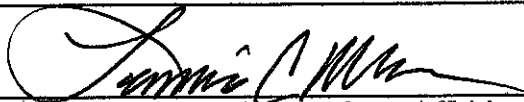
12/31/25

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.

Certification:

I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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



signature of owner/official

480-892-8756

telephone no.