

**ANNUAL REPORT**

Of

Company Name: Humboldt Water Systems, Inc.

PO Box 938

Mailing Address:

Mayer

AZ

86333

Docket No.: W-02197A

For the Year Ended: 12/31/19

**RECEIVED**

**BY EMAIL**

4/14/2020, 08:56 PM

ARIZONA CORPORATION COMMISSION

UTILITIES DIVISION

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [rdelafuente@azcc.gov](mailto: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: Original Filing

Application Date: 4/6/2020

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Humboldt Water Systems, Inc.  
A Class ☐ Utility

For the Calendar Year Ended: 12/31/19

Primary Address: P.O. Box 938  
City: Mayer State: Arizona Zip Code: 86333

Telephone Number: 800-315-5333

Date of Original Organization of Utility: 3/17/1988

Person to whom correspondence should be addressed concerning this report:

Name: Stuart McLean  
Telephone No.: 928-300-5764  
Address: P.O. Box 938  
City: Mayer State: Arizona Zip Code: 86333  
Email:

On-Site Manager  
Name: Stuart McLean  
Telephone No.: 928-300-5764  
Address: P.O. Box 938  
City: Mayer State: Arizona Zip Code: 86333  
Email:

Regulatory Contact  
Name: 0  
Telephone No.: 0  
Address: 0  
City: 0 State: Arizona Zip Code: 0  
Email: 0

Management Contact  
Name: 0  
Telephone No.: 0  
Address: 0  
City: 0 State: Arizona Zip Code: 0  
Email: 0

Regulatory Contact  
Name: 0  
Telephone No.: 0  
Address: 0  
City: 0 State: Arizona Zip Code: 0  
Email: 0

Ownership: "S" Corporation

Counties Served: Yavapai

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Humboldt Water Systems, Inc.

<b>Important changes during the year</b>
--

<input type="checkbox"/>	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
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<input type="checkbox"/>	If yes, please provide specific details in the box below.
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<input type="checkbox"/>	NO
--------------------------	----

<input type="checkbox"/>	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
--------------------------	---

<input type="checkbox"/>	If yes, please provide specific details in the box below.
--------------------------	---

<input type="checkbox"/>	NO
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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	\$2,378	\$0	\$0	\$2,378	\$0	\$2,378
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	6,650	0	0	6,650	0	6,650
304	Structures and Improvements	10,041	2,500	0	12,541	6,231	6,310
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	39,228	0	0	39,228	21,602	17,626
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	79,092	0	0	79,092	41,540	37,552
311	Pumping Equipment	60,498	0	0	60,498	60,498	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	301,528	0	0	301,528	49,752	251,776
320.2	Solution Chemical Feeders	2,196	0	0	2,196	2,196	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	26,500	0	0	26,500	21,418	5,082
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	170,246	0	0	170,246	151,717	18,529
333	Services	125,854	0	0	125,854	87,440	38,414
334	Meters and Meter Installations	37,513	7,205	0	44,718	30,017	14,701
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	3,249	1,063	0	4,312	307	4,005
340	Office Furniture and Equipment	0	0	0	0	0	0
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
	<b>Totals</b>	<b>\$864,973</b>	<b>\$10,768</b>	<b>\$0</b>	<b>\$875,741</b>	<b>\$472,718</b>	<b>\$403,023</b>



Humboldt Water Systems, Inc.  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/19

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	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$2,378	\$0	\$0	\$2,378		\$2,378	0.00%	\$0
302	Franchises	0	0	0	0		0	0.00%	0
303	Land and Land Rights	6,650	0	0	6,650	0	6,650	0.00%	0
304	Structures and Improvements	10,041	2,500	0	12,541	0	12,541	3.33%	376
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	39,228	0	0	39,228	0	39,228	3.33%	1,306
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	79,092	0	0	79,092	0	79,092	6.67%	5,275
311	Pumping Equipment	60,498	0	0	60,498	60,498	0	12.50%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	301,528	0	0	301,528	0	301,528	3.33%	10,041
320.2	Solution Chemical Feeders	2,196	0	0	2,196	2,196	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	26,500	0	0	26,500	0	26,500	2.22%	588
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	170,246	0	0	170,246	0	170,246	2.00%	3,405
333	Services	125,854	0	0	125,854	0	125,854	3.33%	4,191
334	Meters and Meter Installations	37,513	7,205	0	44,718	0	44,718	8.33%	3,425
335	Hvdrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	3,249	1,063	0	4,312	0	4,312	6.67%	252
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$864,973</b>	<b>\$10,768</b>	<b>\$0</b>	<b>\$875,741</b>	<b>\$62,694</b>	<b>\$813,047</b>		<b>\$28,860</b>

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	3.55%
<b>Amortization of CIAC</b>	<b>\$0</b>

Less: Amortization of CIAC \$0

**DEPRECIATION EXPENSE** **\$28,860**

Humboldt Water Systems, Inc.  
Annual Report  
Balance Sheet Assets  
12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$41,608	\$28,271
134	Working Funds		0	
135	Temporary Cash Investments		0	
141	Customer Accounts Receivable		0	
146	Notes Receivable from Associated Companies		0	
151	Plant Material and Supplies		0	
162	Prepayments		0	
174	Miscellaneous Current and Accrued Assets		0	
	<b>Total Current and Accrued Assets</b>		<b>\$41,608</b>	<b>\$28,271</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$864,973	\$875,741
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation		(428,413)	(472,718)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$436,560</b>	<b>\$403,023</b>
	<b>Total Assets</b>		<b>\$478,168</b>	<b>\$431,294</b>

\*Note these items feed automatically from AR3 UPIS Page 4



Humboldt Water Systems, Inc.  
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		\$0	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		28,827	32,947
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	<b>Total Current Liabilities</b>		<b>\$28,827</b>	<b>\$32,947</b>
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$279,164	\$273,074
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	
252	Advances in Aid of Construction		7,269	7,269
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	<b>Total Deferred Credits</b>		<b>\$7,269</b>	<b>\$7,269</b>
	<b>Total Liabilities</b>		<b>\$315,260</b>	<b>\$313,290</b>
	Capital Accounts			
201	Common Stock Issued		\$2,013	\$2,013
211	Other Paid-In Capital		0	0
215	Retained Earnings		160,895	115,991
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>\$162,908</b>	<b>\$118,004</b>
	<b>Total Liabilities and Capital</b>		<b>\$478,168</b>	<b>\$431,294</b>

**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 01/01/2019 -	Last Year 01/01/2018 - 12/31/2018
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$191,937	\$185,531
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	27,732	27,048
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	4,355	6,109
	<b>Total Revenues</b>	<b>\$224,024</b>	<b>\$218,689</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	9,601	12,019
618	Chemicals	746	424
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	102,049	78,834
620.2	Office Supplies and Expense	5,528	157
630	Contractual Services	23,807	42,588
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	19,739	16,591
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	7,000	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	3,618	3,369
657.1	Insurance - Health and Life	1,195	1,195
665	Regulatory Commission Expense - Rate	45	818
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	17,203	20,144
403	Depreciation Expense (From Schedule AR4)	28,860	27,931
408	Taxes Other Than Income	0	0
408.11	Property Taxes	7,921	7,522
409	Income Taxes	17,189	16,510
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$244,500</b>	<b>\$228,102</b>
	<b>Operating Income / (Loss)</b>	<b>(\$20,476)</b>	<b>(\$9,414)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(5,515)	(5,707)
	<b>Total Other Income / (Expense)</b>	<b>(\$5,515)</b>	<b>(\$5,707)</b>
	<b>Net Income / (Loss)</b>	<b>(\$25,991)</b>	<b>(\$15,121)</b>

**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	0.0	1.0	1.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.5	0.5
Meter reader	0.0	0.0	0.5	0.5
Customer Service	0.0	0.0	1.0	1.0
Accounting	0.0	0.0	1.0	1.0
Business Office	0.0	0.0	1.0	1.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	1.0	1.0
Other	0.0	0.0	0.0	0.0
<b>Total</b>	0.0	0.0	6.0	6.0



Humboldt Water Systems, Inc.  
Annual Report  
Supplemental Financial Data (Long-Term Debt)  
12/31/19

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	5/30/2014	1/0/1900	1/0/1900	1/0/1900
Source of Loan	WIFA	0	0	0
ACC Decision No.	79386	0	0	0
Reason for Loan	Arsenic Treatment	0	0	0
Dollar Amt. Issued	\$301,528	\$0	\$0	\$0
Amount Outstanding		\$0	\$0	\$0
Date of Maturity	5/1/2034	1/0/1900	1/0/1900	1/0/1900
Interest Rate	4.20%	0.00%	0.00%	0.00%
Current Year Interest	\$5,308	\$0	\$0	\$0
Current Year Principal	\$6,087	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$8,239
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Meter Deposits Refunded During the Test Year:	\$1,015
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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.*



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)7
January	1,480,800.00	1,434,414.00	0.00	0.00	0.00	\$62	7,442
February	1,786,760.00	1,500,805.00	0.00	0.00	0.00	513	5,996
March	1,700,685.00	1,504,425.00	0.00	0.00	0.00	625	5,515
April	1,750,820.00	1,293,099.00	0.00	0.00	0.00	677	6,096
May	1,731,510.00	1,457,287.00	0.00	0.00	0.00	977	9,186
June	1,852,800.00	1,723,875.00	0.00	0.00	0.00	886	8,347
July	2,523,710.00	2,134,940.00	0.00	0.00	0.00	1,027	9,958
August	2,301,040.00	2,105,962.00	0.00	0.00	0.00	898	8,443
September	2,585,050.00	2,468,980.00	0.00	0.00	0.00	459	6,822
October	1,468,250.00	1,380,618.00	0.00	0.00	0.00	755	6,348
November	1,794,700.00	1,642,570.00	0.00	0.00	0.00	726	6,616
December	1,875,500.00	1,577,823.00	0.00	0.00	0.00	784	6,679
<b>Totals</b>	<b>22,851,625.00</b>	<b>20,224,798.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$9,091</b>	<b>87,448</b>

Unmetered water loss due to old infrastructure need money to repair.

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

Water Utility Plant Description			
Name of the System:	HUMBOLDT WATER CO		
ADEQ Public Water System Number:		AZ0413052	
ADWR PCC Number:		91-000639.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC, Steel	10,000
4.00	PVC, Steel	15,740
6.00	PVC, Steel	8,600
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0
0.00	NA	0

SERVICE LINES		
Material	Percent of system	Year installed
Black poly	70%	0
Galvanized steel	20%	0
Blue poly	10%	0
NA	0%	0
NA	0%	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10	150	3
0	0	0
0	0	0
0	0	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
65,000	Metal	1	1999
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	204	75%	75%
0.75	130	60%	50%
1.5	1	0%	0%
Compound 2	4	80%	80%
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0
NA	0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
55	Metal	1	2016
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

\* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.



Water Utility Plant Description (Continued)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	Arsenic Treatment and RO Plant
STRUCTURES:	Blocked Building and Fenced Well lot
OTHER:	15KW Solar System

Provide a calculation used to determine the value of one water 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
- (b)
If no historical flow data are available, use:  
ERC = ( Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day )

ERC

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Method used:

(b)



Customer and Other Information	
Name of the System:	HUMBOLDT WATER CO
ADEQ Public Water System Number:	AZ0413052
ADWR PCC Number:	91-000639.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	328	0	8	0	0
February	334	0	8	0	0
March	332	0	8	0	0
April	331	0	9	0	0
May	333	0	9	0	0
June	330	0	9	0	0
July	337	0	9	0	0
August	330	0	9	1	0
September	333	0	9	1	0
October	339	0	9	1	0
November	334	0	9	1	0
December	339	0	9	1	0

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?

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.

Planning to apply for WIFA Loan to install new water tank.

\* an ERC is based on the calculation on the bottom of AR9 page 12.

Humboldt Water Systems, Inc.  
Annual Report  
Utility Shutoffs / Disconnects  
12/31/19

Utility Shutoffs / Disconnects		
Name of the System:	HUMBOLDT WATER CO	
ADEQ Public Water System Number:		AZ0413052
ADWR PCC Number:		91-000639.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	8	0
February	0	9	0
March	0	3	0
April	0	5	0
May	0	3	0
June	0	6	0
July	0	12	0
August	0	3	0
September	0	4	0
October	0	2	0
November	0	5	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>60</b>	<b>0</b>

Other (description):

NONE

**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 2019 was	\$7,921

If no property taxes paid, explain why.
N/A

<b>Instructions:</b> 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): Yavapai  
Name (owner or official) title: Stuart McLean  
Company name: Humboldt Water Systems, Inc.

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

4/14/2020, 08:56 PM

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

Stuart McLean  
signature of owner/official

928-300-5764  
telephone no.

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

THIS

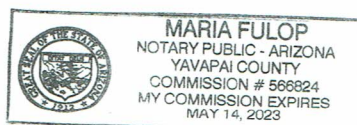
9th

DAY OF

YAVAPAI  
(county name)  
April 2020  
(month) and (year)

MY COMMISSION EXPIRES

5/14/2023  
(date)



Maria Fulop  
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name):

Yavapai

Name (owner or official) title:

Stuart McLean

Company name:

Humboldt Water Systems, Inc.

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 (\$)

\$224,024

(The amount in the box above includes

\$17,189 in sales taxes

billed or collected)

RECEIVED  
BY EMAIL

4/14/2020, 08:56 PM

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

Stuart McLean  
signature of owner/official

928-300-5764

telephone no.

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

THIS

9th

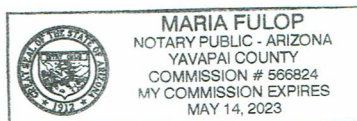
DAY OF

YAVAPAI  
(county name)

April 2020  
(month) and (year)

MY COMMISSION EXPIRES

May 14, 2023  
(date)



Maria Fulop  
(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):

Yavapai

Name (owner or official) title:

Stuart McLean

Company name:

Humboldt Water Systems, Inc.

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 (\$)

\$224,024

(The amount in the box above includes

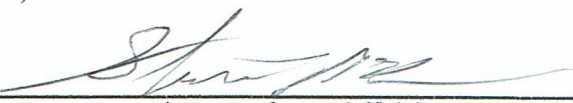
\$17,189

in sales taxes  
billed or collected)

**RECEIVED  
BY EMAIL**

4/14/2020, 08:56 PM

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

  
signature of owner/official

928-300-5764

telephone no.

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

YAVAPAI  
(county name)

THIS

9th

DAY OF

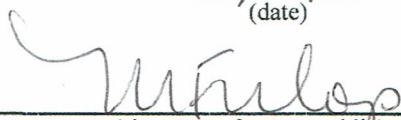
April 2020  
(month) and (year)

MY COMMISSION EXPIRES

5/14/2023  
(date)



MARIA FULOP  
NOTARY PUBLIC - ARIZONA  
YAVAPAI COUNTY  
COMMISSION # 566824  
MY COMMISSION EXPIRES  
MAY 14, 2023

  
(signature of notary public)



Full Gross-up Method for Income Tax Statement of Certification

Verification:

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

County of (county name): Yavapai  
Name (owner or official) title: Stuart McLean  
Company name: Humboldt Water Systems, Inc.

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.

RECEIVED  
BY EMAIL

4/14/2020, 08:56 PM  
ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

Stuart McLean  
signature of owner/official

928-300-5764  
telephone no.

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

YAVAPAI  
(county name)

THIS

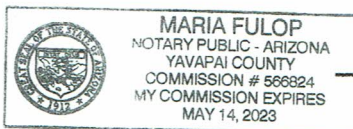
9th

DAY OF

April, 2020  
(month) and (year)

MY COMMISSION EXPIRES

5/14/2023  
(date)



M Fulop  
(signature of notary public)