

file

ANNUAL REPORT

Of

Company Name: Lord Arizona Water Systems, Inc.
PO Box 3048

Mailing Address: Show Low AZ
85902

Docket No.: W-02479A
For the Year Ended: 12/31/19

WATER UTILITY

To

Arizona Corporation Commission

RECEIVED
UTILITIES DIVISION
2020 MAY 14 P 2:16
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: Original Filing
Application Date: 5/13/2020

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

For the Calendar Year Ended: 12/31/19

Primary Address: PO BOX 245
City: TAYLOR State: ARIZONA Zip Code: 85939

Telephone Number: 928-537-8739

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

Name: MARK GRAPP
Telephone No. : 928-537-8739
Address: PO BOX 245
City: TAYLOR State: ARIZONA Zip Code: 85939
Email: WATERCOS@GMAIL.COM

On-Site Manager
Name: DUSTIN GRUSKIEWICH
Telephone No. : 928-537-8739
Address: PO BOX 245
City: TAYLOR State: ARIZONA Zip Code: 85939
Email: WATERCOS@GMAIL.COM

Management Contact
Name: DUSTIN DESPAIN
Telephone No. : 800-713-8905
Address: 688 W 4TH STREET SUITE E
City: BENSON State: ARIZONA Zip Code: 85602
Email: A1UTILITYBILLING@GMAIL.COM

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

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

Ownership: "S" Corporation

Counties Served: Apache

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

Important changes during the year
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	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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	If yes, please provide specific details in the box below.
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	NA
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	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
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	If yes, please provide specific details in the box below.
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	NA
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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	\$10,500	\$0	\$10,500	\$0	\$10,500
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	24,300	0	24,300	0	24,300
304	Structures and Improvements	0	103,891	0	103,891	221	103,670
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	0	0	0	0	0	0
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	346,860	0	346,860	741	346,119
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	0	0	0	0	0	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
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	0	225,000	0	225,000	480	224,520
330.2	Pressure Tanks	0	10,353	0	10,353	22	10,331
331	Transmission and Distribution Mains	0	255,225	0	255,225	545	254,680
333	Services	0	85,300	0	85,300	182	85,118
334	Meters and Meter Installations	0	95,380	0	95,380	204	95,176
335	Hydrants	0	0	0	0	0	0
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	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
	Totals	\$0	\$1,156,809	\$0	\$1,156,809	\$2,395	\$1,154,414

Lord Arizona 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	\$0	\$10,500	\$0	\$10,500	\$0	\$10,500	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	24,300	0	24,300	0	24,300	0.00%	0
304	Structures and Improvements	0	103,891	0	103,891	0	103,891	0.43%	221
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	0	0	0	0	0	0	0.00%	0
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	346,860	0	346,860	0	346,860	0.43%	741
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	0	0	0	0	0	0	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	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	0	225,000	0	225,000	0	225,000	0.43%	480
330.2	Pressure Tanks	0	10,353	0	10,353	0	10,353	0.43%	22
331	Transmission and Distribution Mains	0	255,225	0	255,225	0	255,225	0.43%	545
333	Services	0	85,300	0	85,300	0	85,300	0.43%	182
334	Meters and Meter Installations	0	95,380	0	95,380	0	95,380	0.43%	204
335	Hydrants	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	0	0	0	0	0	0	0.00%	0
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
	Subtotal	\$0	\$1,156,809	\$0	\$1,156,809	\$0	\$1,156,809	3.01	\$2,394

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	0.21%
Amortization of CIAC	\$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE **\$2,394**

Lord Arizona 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.	Current and Accrued Assets			
131	Cash		\$0	\$9,125
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		37,452	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$37,452	\$9,125
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$0	\$1,156,809
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		0	(2,395)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$0	\$1,154,414
	Total Assets		\$37,452	\$1,163,539

*Note these items feed automatically from AR3 UPIS Page 4

Lord Arizona 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	\$5,345
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		9,558	0
235	Customer Deposits		0	15,490
236	Accrued Taxes		0	1,919
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		27,894	0
	Total Current Liabilities		\$37,452	\$22,754
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$710,531
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	242,611
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
	Total Deferred Credits		\$0	\$242,611
	Total Liabilities		\$37,452	\$975,896
	Capital Accounts			
201	Common Stock Issued		\$0	\$6,100
211	Other Paid-In Capital		0	179,200
215	Retained Earnings		0	2,343
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$0	\$187,643
	Total Liabilities and Capital		\$37,452	\$1,163,539

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

Lord Arizona Water Systems, Inc.
Annual Report
Water Comparative Income Statement
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$139,165	\$138,163
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	29,330	0
474	Other Water Revenue	0	0
	Total Revenues	\$168,495	\$138,163
	Operating Expenses		
601	Salaries and Wages	\$38,873	\$57,772
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	1,925
615	Purchased Power	21,691	17,743
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	37,240	18,769
620.2	Office Supplies and Expense	9,403	6,041
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	334
632	Contractual Services - Accounting	4,111	2,460
633	Contractual Services - Legal	24,000	160
634	Contractual Services - Management Fees	7,109	12,291
635	Contractual Services - Water Testing	1,540	0
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	101	159
650	Transportation Expenses	1,893	1,573
657	Insurance - General Liability	943	0
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	695
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	37,452
403	Depreciation Expense (From Schedule AR4)	2,394	0
408	Taxes Other Than Income	8,145	7,285
408.11	Property Taxes	8,709	2,973
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$166,152	\$167,632
	Operating Income / (Loss)	\$2,343	(\$29,469)
	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)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	\$2,343	(\$29,469)

Lord Arizona Water Systems, Inc.
Annual Report
Full time equivalent employees
12/31/19

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	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.0	0.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	0.0	0.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0

Lord Arizona 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	NA	NA	NA	NA
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	NA	NA	NA	NA
Interest Rate	0.00%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$8,950
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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.

Well and Water Usage

[illegible]

Name of system water delivered to.	
ADWR PCC Number:	
Source of water delivered to another system	

Name of system water received from:	CEDAR GROVE WATER CO	
ADWR PCC Number:	91-000018.0000	
Source of water received	Ground Water	
Well registry 55# (55-XXXXXXX):		

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	1,395,000.00	1,352,912.00	0.00	0.00	0.00	\$1,461	10,235
February	1,250,000.00	1,086,480.00	0.00	0.00	0.00	1,249	9,855
March	901,000.00	903,316.00	0.00	0.00	0.00	2,409	18,353
April	1,898,000.00	1,191,786.00	0.00	0.00	0.00	1,720	13,535
May	1,654,800.00	1,557,550.00	0.00	0.00	0.00	2,657	19,533
June	2,111,153.00	2,092,153.00	0.00	0.00	0.00	3,057	20,183
July	2,583,000.00	2,081,687.00	0.00	0.00	0.00	3,135	21,053
August	1,950,000.00	1,813,512.00	0.00	0.00	0.00	2,930	19,933
September	1,999,571.00	1,894,570.00	0.00	0.00	0.00	1,579	10,800
October	1,827,325.00	1,527,325.00	0.00	0.00	0.00	1,718	13,435
November	1,213,436.00	1,013,436.00	0.00	0.00	0.00	1,313	9,953
December	1,563,255.00	1,263,255.00	0.00	0.00	0.00	1,345	10,001
Totals	20,346,540.00	17,777,982.00	0.00	0.00	0.00	\$24,573	176,869

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

NONE

- | | |
|---|---|
| 1 | Water withdrawn - Total gallons of water withdrawn from pumped sources. |
| 2 | Water sold - Total gallons from customer meters, and other sales such as construction water. |
| 3 | Water delivered (sold) to other systems - Total gallons of water delivered to other systems. |
| 4 | Water received (purchased) from other systems - Total gallons of water purchased/received from other systems. |
| 5 | Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft. |
| 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. |

Water Utility Plant Description			
Name of the System:	LORD AZ WATER		
ADEQ Public Water System Number:	AZ0401373		
ADWR PCC Number:	91-000023.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
6.00	PVC	44,277
4.00	PVC	12,051
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

SERVICE LINES		
Material	Percent of system	Year installed
PVC	95%	0
Blue poly	5%	0
NA	0%	0
NA	0%	0
NA	0%	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	415	40%	98%
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%
NA	0	0%	0%
NA	0	0%	0%

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	70	3
2	50	1
0	0	0
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
15,000	METAL	2	0
20,000	METAL	1	0
10,000	METAL	1	0
0	NA	0	0
0	NA	0	0
0	NA	0	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
80	METAL	1	0
0	NA	0	0
0	NA	0	0
0	NA	0	0
0	NA	0	0
0	NA	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:	NONE
STRUCTURES:	8'X8' PUMP HOSE, 15'X25' BUILDING
OTHER:	NONE

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:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC	123
Method used:	(a)

Customer and Other Information		
Name of the System:	LORD AZ WATER	
ADEQ Public Water System Number:	AZ0401373	
ADWR PCC Number:	91-000023.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	394	0	0	0	0
February	394	0	0	0	0
March	394	0	0	0	0
April	394	0	0	0	0
May	394	0	0	0	0
June	394	0	0	0	0
July	394	0	0	0	0
August	394	0	0	0	0
September	394	0	0	0	0
October	394	0	0	0	0
November	394	0	0	0	0
December	391	0	0	0	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.

NONE

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

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

Utility Shutoffs / Disconnects	
Name of the System:	LORD AZ WATER
ADEQ Public Water System Number:	AZ0401373
ADWR PCC Number:	91-000023.0000

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	1	0
May	0	0	0
June	0	1	0
July	0	0	0
August	0	1	0
September	0	0	0
October	0	1	0
November	0	0	0
December	0	3	0
Total	0	7	0

Other (description):

NA

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.

Lord Arizona Water Systems, Inc.
Annual Report
Property Taxes
12/31/19

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2019 was	\$8,709

If no property taxes paid, explain why.
NA

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.

Lord Arizona Water Systems, Inc.
Annual Report
Verification and Sworn Statement (Taxes)
12/31/19

Verification and Sworn Statement (Taxes)

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

County of (county name):

Apache

Name (owner or official) title:

DUSTIN DESPAIN CFO

Company name:

Lord Arizona Water Systems, Inc.

RECEIVED
UTILITIES DIVISION

2020 MAY 14 P 2:17

ARIZONA CORPORATION
COMMISSION

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

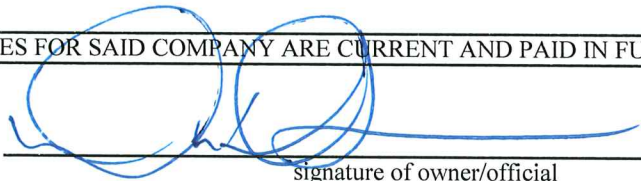
FOR THE YEAR ENDING:

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.


Signature of owner/official

800-713-8905

telephone no.

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

THIS

13

DAY OF

Cochise

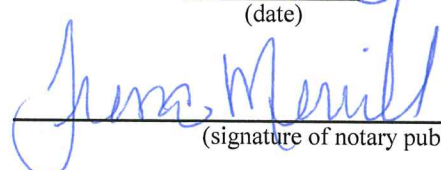
(county name)

May 2020

(month) and (year)



10-17-23
(date)


(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Apache
Name (owner or official) title: DUSTIN DESPAIN CFO
Company name: Lord Arizona Water Systems, Inc.

RECEIVED
UTILITIES DIVISION
2020 MAY 14 P 2:17
ARIZONA CORPORATION
COMMISSION

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 (\$)

\$168,495

(The amount in the box above includes

\$8,145 in sales taxes

billed or collected)

[Signature]
signature of owner/official

800-713-8905

telephone no.

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

THIS

13

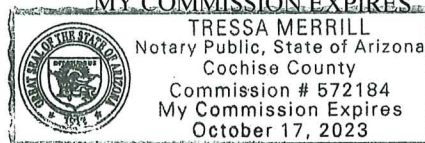
DAY OF

Cochise

(county name)

May 2020
(month) and (year)

MY COMMISSION EXPIRES



10-17-23
(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):

Apache

Name (owner or official) title:

DUSTIN DESPAIN CFO

Company name:

Lord Arizona Water Systems, Inc.

RECEIVED
UTILITIES DIVISION

2020 MAY 14 P 2:17

ARIZONA CORPORATION
COMMISSION

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 (\$)

\$168,495

(The amount in the box above includes

\$8,145 in sales taxes

billed or collected)

[Signature]
signature of owner/official

800-713-8905
telephone no.

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

Cochise
(county name)

THIS

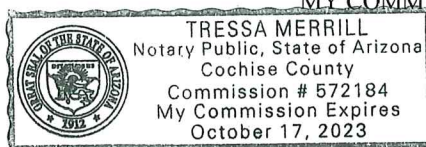
13

DAY OF

May 2020
(month) and (year)

MY COMMISSION EXPIRES

10-17-23
(date)



[Signature]
(signature of notary public)

Lord Arizona Water Systems, Inc.
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/19

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): Apache
Name (owner or official) title: DUSTIN DESPAIN CFO
Company name: Lord Arizona 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.


signature of owner/official

800-713-8905
telephone no.

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

Cochise
(county name)

THIS

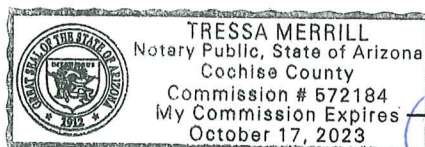
13

DAY OF

May 2020
(month) and (year)

MY COMMISSION EXPIRES

10-17-23
(date)




(signature of notary public)