

Rec

ANNUAL REPORT

Of

Company Name: **Montezuma Rimrock Water Company LLC**
3031 E. Beaver Creek Rd.

Mailing Address: Rimrock AZ
86335

Docket No.: W-04254A
For the Year Ended: 12/31/19

**RECEIVED
BY EMAIL**
3/19/2020, 8:37 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER 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: Original Filing
Application Date: 4/20/2020

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Montezuma Rimrock Water Company LLC
A Class ☒ Utility

For the Calendar Year Ended: 12/31/19

Primary Address:

| | | | |
|------------------------|---------|--------|---------|
| 3031 E Beaver Creek Rd | | | |
| City: | Rimrock | State: | Arizona |
| Zip Code: | 86335 | | |

Telephone Number:

| |
|--------------|
| 928-592-9211 |
|--------------|

Date of Original Organization of Utility:

| |
|-----------|
| 6/25/1905 |
|-----------|

Person to whom correspondence should be addressed concerning this report:

Name:

| |
|----------------|
| Patricia Olsen |
|----------------|

Telephone No. :

| |
|--------------|
| 928-300-3291 |
|--------------|

Address:

| | | | |
|------------------------|---------|--------|---------|
| 3031 E Beaver Creek Rd | | | |
| City: | Rimrock | State: | Arizona |
| Zip Code: | 86335 | | |

Email:

| |
|--|
| patsy@montezumawater.com |
|--|

Management Contact

Name:

| |
|----------------|
| Patricia Olsen |
|----------------|

Telephone No. :

| |
|--------------|
| 928-300-3291 |
|--------------|

Address:

| | | | |
|------------------------|---------|--------|---------|
| 3031 E Beaver Creek Rd | | | |
| City: | Rimrock | State: | Arizona |
| Zip Code: | 86335 | | |

Email:

| |
|--|
| patsy@montezumawater.com |
|--|

Regulatory Contact

Name:

| |
|----------------|
| Patricia Olsen |
|----------------|

Telephone No. :

| |
|--------------|
| 928-300-3291 |
|--------------|

Address:

| | | | |
|------------------------|---------|--------|---------|
| 3031 E Beaver Creek Rd | | | |
| City: | Rimrock | State: | Arizona |
| Zip Code: | 86335 | | |

Email:

| |
|--|
| patsy@montezumawater.com |
|--|

Statutory Agent

Name:

| |
|----------------|
| Patricia Olsen |
|----------------|

Telephone No. :

| |
|--------------|
| 928-300-3291 |
|--------------|

Address:

| | | | |
|------------------------|---------|--------|---------|
| 3031 E Beaver Creek Rd | | | |
| City: | Rimrock | State: | Arizona |
| Zip Code: | 86335 | | |

Email:

| |
|--|
| patsy@montezumawater.com |
|--|

Regulatory and On-Site Manager Contact

Name:

| |
|----------------|
| Patricia Olsen |
|----------------|

Telephone No. :

| |
|--------------|
| 928-300-3291 |
|--------------|

Address:

| | | | |
|------------------------|---------|--------|---------|
| 3031 E Beaver Creek Rd | | | |
| City: | Rimrock | State: | Arizona |
| Zip Code: | 86335 | | |

Email:

| |
|--|
| patsy@montezumawater.com |
|--|

Ownership:

| |
|-----------------------------------|
| Limited Liability Company ("LLC") |
|-----------------------------------|

Counties Served:

| |
|---------|
| Yavapai |
|---------|

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Montezuma Rimrock Water Company LLC

| |
|--|
| Important changes during the year |
|--|

| | |
|----|---|
| No | For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year? |
|----|---|

| | |
|--|---|
| | If yes, please provide specific details in the box below. |
|--|---|

| | |
|--|-----|
| | N/A |
|--|-----|

| | |
|----|---|
| No | Has the company been notified by any other regulatory authorities during the year, that they are out of compliance? |
|----|---|

| | |
|--|---|
| | If yes, please provide specific details in the box below. |
|--|---|

| | |
|--|-----|
| | N/A |
|--|-----|

| 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 | 0 | 0 | 0 | 0 | 0 | 0 |
| 303 | Land and Land Rights | 0 | 0 | 0 | 0 | 0 | 0 |
| 304 | Structures and Improvements | 47,298 | 0 | 0 | 47,298 | 31,498 | 15,800 |
| 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 | 41,510 | 4,403 | 0 | 45,913 | 31,645 | 14,268 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0 |
| 309 | Supply Mains | 228 | 0 | 0 | 228 | 149 | 79 |
| 310 | Power Generation Equipment | 1,054 | 0 | 0 | 1,054 | 943 | 111 |
| 311 | Pumping Equipment | 44,264 | 0 | 0 | 44,264 | 44,264 | 0 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 320.1 | Water Treatment Plants | 32,286 | 0 | 0 | 32,286 | 11,122 | 21,164 |
| 320.2 | Solution Chemical Feeders | 586 | 0 | 0 | 586 | 586 | 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 | 78,594 | 10,259 | 0 | 88,853 | 44,274 | 44,579 |
| 330.2 | Pressure Tanks | 30,763 | 0 | 0 | 30,763 | 3,807 | 26,956 |
| 331 | Transmission and Distribution Mains | 188,664 | 0 | 0 | 188,664 | 123,422 | 65,242 |
| 333 | Services | 11,415 | 0 | 0 | 11,415 | 8,682 | 2,733 |
| 334 | Meters and Meter Installations | 54,261 | 9,443 | 0 | 63,704 | 59,174 | 4,530 |
| 335 | Hydrants | 11,264 | 0 | 0 | 11,264 | 7,369 | 3,895 |
| 336 | Backflow Prevention Devices | 72 | 0 | 0 | 72 | 72 | 0 |
| 339 | Other Plant and Misc. Equipment | 11,228 | 0 | 0 | 11,228 | 11,228 | 0 |
| 340 | Office Furniture and Equipment | 3,009 | 0 | 0 | 3,009 | 3,009 | 0 |
| 340.1 | Computer & Software | 1,598 | 0 | 0 | 1,598 | 1,598 | 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 | 16,404 | 1,030 | 0 | 17,434 | 13,352 | 4,082 |
| 344 | Laboratory Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 345 | Power Operated Equipment | 1,848 | 0 | 0 | 1,848 | 1,848 | 0 |
| 346 | Communication Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 347 | Miscellaneous Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 348 | Other Tangible Plant | 17,298 | 0 | 0 | 17,298 | 17,298 | 0 |
| | Totals | \$593,644 | \$25,135 | \$0 | \$618,779 | \$415,340 | \$203,439 |

| 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 | \$0 | \$0 | \$0 | \$0 | \$0 | 0.00% | \$0 |
| 302 | Franchises | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 303 | Land and Land Rights | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 304 | Structures and Improvements | 47,298 | 0 | 0 | 47,298 | 0 | 47,298 | 3.33% | 1,575 |
| 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 | 41,510 | 4,403 | 0 | 45,913 | 0 | 45,913 | 3.33% | 1,456 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 309 | Supply Mains | 228 | 0 | 0 | 228 | 0 | 228 | 2.00% | 5 |
| 310 | Power Generation Equipment | 1,054 | 0 | 0 | 1,054 | 0 | 1,054 | 5.00% | 53 |
| 311 | Pumping Equipment | 44,264 | 0 | 0 | 44,264 | 0 | 44,264 | 12.50% | 5,533 |
| 320 | Water Treatment Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 320.1 | Water Treatment Plants | 32,286 | 0 | 0 | 32,286 | 0 | 32,286 | 3.33% | 1,075 |
| 320.2 | Solution Chemical Feeders | 586 | 0 | 0 | 586 | 0 | 586 | 20.00% | 117 |
| 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 | 78,594 | 10,259 | 0 | 88,853 | 0 | 88,853 | 2.22% | 1,859 |
| 330.2 | Pressure Tanks | 30,763 | 0 | 0 | 30,763 | 0 | 30,763 | 5.00% | 1,538 |
| 331 | Transmission and Distribution Mains | 188,664 | 0 | 0 | 188,664 | 0 | 188,664 | 2.00% | 3,773 |
| 333 | Services | 11,415 | 0 | 0 | 11,415 | 0 | 11,415 | 3.33% | 380 |
| 334 | Meters and Meter Installations | 54,261 | 9,443 | 0 | 63,704 | 0 | 63,704 | 8.33% | 4,913 |
| 335 | Hydrants | 11,264 | 0 | 0 | 11,264 | 0 | 11,264 | 2.00% | 225 |
| 336 | Backflow Prevention Devices | 72 | 0 | 0 | 72 | 0 | 72 | 6.67% | 5 |
| 339 | Other Plant and Misc. Equipment | 11,228 | 0 | 0 | 11,228 | 0 | 11,228 | 6.67% | 749 |
| 340 | Office Furniture and Equipment | 3,009 | 0 | 0 | 3,009 | 0 | 3,009 | 6.67% | 201 |
| 340.1 | Computer & Software | 1,598 | 0 | 0 | 1,598 | 0 | 1,598 | 20.00% | 320 |
| 341 | Transportation Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 20.00% | 0 |
| 342 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 343 | Tools, Shop and Garage Equipment | 16,404 | 1,030 | 0 | 17,434 | 0 | 17,434 | 5.00% | 846 |
| 344 | Laboratory Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 345 | Power Operated Equipment | 1,848 | 0 | 0 | 1,848 | 0 | 1,848 | 5.00% | 92 |
| 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 | 17,298 | 0 | 0 | 17,298 | 0 | 17,298 | 50.00% | 8,649 |
| | Subtotal | \$593,644 | \$25,135 | \$0 | \$618,779 | \$0 | \$618,779 | | \$33,363 |

| | |
|--|---------------------------------|
| Contribution(s) in Aid of Construction (Gross) | \$272,142 |
| Less: Non Amortizable Contribution(s) | 0 |
| Fully Amortized Contribution(s) | 0 |
| Amortizable Contribution(s) | <div><div>\$272,142</div></div> |
| Times: Proposed Amortization Rate | 5.39% |
| Amortization of CIAC | \$14,673 |

Less: Amortization of CIAC

\$14,673

DEPRECIATION EXPENSE

\$18,690

Montezuma Rimrock Water Company LLC
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 | | \$23 | \$4,427 |
| 134 | Working Funds | | 0 | 0 |
| 135 | Temporary Cash Investments | | 0 | 0 |
| 141 | Customer Accounts Receivable | | 12,240 | 12,551 |
| 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 | 1,998 |
| | Total Current and Accrued Assets | | \$12,263 | \$18,976 |
| | | | | |
| Account No. | Fixed Assets | | | |
| 101 | Utility Plant in Service* | | \$593,644 | \$618,779 |
| 103 | Property Held for Future Use | | 37,000 | 37,000 |
| 105 | Construction Work in Progress | | 129,649 | 129,649 |
| 108 | Accumulated Depreciation (enter as negative)* | | (381,575) | (415,340) |
| 121 | Non-Utility Property | | 0 | 0 |
| 122 | Accumulated Depreciation - Non Utility | | 0 | 0 |
| | Total Fixed Assets | | \$378,718 | \$370,088 |
| | Total Assets | | \$390,981 | \$389,064 |

*Note these items feed automatically from AR3 UPIS Page 4

Montezuma Rimrock Water Company 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 | | \$257,819 | \$69,656 |
| 232 | Notes Payable (Current Portion) | | 0 | 0 |
| 234 | Notes Payable to Associated Companies | | 0 | 0 |
| 235 | Customer Deposits | | 9,696 | 8,894 |
| 236 | Accrued Taxes | | 0 | 0 |
| 237 | Accrued Interest | | 0 | 0 |
| 242 | Miscellaneous Current and Accrued Liabilities | | 14,831 | 0 |
| | Total Current Liabilities | | \$282,346 | \$78,550 |
| | | | | |
| | 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 | | 0 | 0 |
| 255 | Accumulated Deferred Investment Tax Credits | | 0 | 0 |
| 271 | Contributions in Aid of Construction | | 260,142 | 272,142 |
| 272 | Less: Amortization of Contributions | | (20,915) | (27,113) |
| 281 | Accumulated Deferred Income Tax | | 0 | 0 |
| | Total Deferred Credits | | \$239,227 | \$245,029 |
| | Total Liabilities | | \$521,573 | \$323,579 |
| | | | | |
| | Capital Accounts | | | |
| 201 | Common Stock Issued | | \$0 | \$0 |
| 211 | Other Paid-In Capital | | 0 | 0 |
| 215 | Retained Earnings | | (130,592) | 65,485 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | 0 | 0 |
| | Total Capital | | (\$130,592) | \$65,485 |
| | Total Liabilities and Capital | | \$390,981 | \$389,064 |

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

Montezuma Rimrock Water Company LLC
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 | \$166,249 | \$146,373 |
| 460 | Unmetered Water Revenue | 0 | 0 |
| 462 | Fire Protection Revenue | 0 | 0 |
| 469 | Guaranteed Revenues (Surcharges) | 0 | 0 |
| 471 | Miscellaneous Service Revenues | 0 | 0 |
| 474 | Other Water Revenue | 0 | (75) |
| | Total Revenues | \$166,249 | \$146,298 |
| | Operating Expenses | | |
| 601 | Salaries and Wages | \$8,226 | \$11,370 |
| 604 | Employee Pensions and Benefits | 958 | 5,405 |
| 610 | Purchased Water | 0 | 0 |
| 615 | Purchased Power | 6,115 | 6,317 |
| 618 | Chemicals | 1,253 | 1,407 |
| 620 | Materials and Supplies | 15,488 | 12,742 |
| 620.1 | Repairs and Maintenance | 19,320 | 0 |
| 620.2 | Office Supplies and Expense | 15,366 | 12,055 |
| 630 | Contractual Services | 250 | 0 |
| 631 | Contractual Services - Engineering | 293 | 17,502 |
| 632 | Contractual Services - Accounting | 200 | 587 |
| 633 | Contractual Services - Legal | 0 | 0 |
| 634 | Contractual Services - Management Fees | 0 | 0 |
| 635 | Contractual Services - Water Testing | 2,061 | 725 |
| 636 | Contractual Services - Other | 13,558 | 15,921 |
| 640 | Rents | 0 | 0 |
| 641 | Rental of Building/Real Property | 9,000 | 8,175 |
| 642 | Rental of Equipment | 0 | 0 |
| 650 | Transportation Expenses | 11,624 | 7,601 |
| 657 | Insurance - General Liability | 3,559 | 4,962 |
| 657.1 | Insurance - Health and Life | 2,780 | 0 |
| 665 | Regulatory Commission Expense - Rate | 2,559 | 7,902 |
| 670 | Bad Debt Expense | 0 | 0 |
| 675 | Miscellaneous Expense | 5,539 | 3,792 |
| 403 | Depreciation Expense (From Schedule AR4) | 18,690 | 5,599 |
| 408 | Taxes Other Than Income | 0 | 0 |
| 408.11 | Property Taxes | 8,067 | 6,022 |
| 409 | Income Taxes | 0 | 0 |
| 427.1 | Customer Security Deposit Interest | 0 | 0 |
| | Total Operating Expenses | \$144,905 | \$128,084 |
| | Operating Income / (Loss) | \$21,343 | \$18,214 |
| | Other Income / (Expense) | | |
| 419 | Interest and Dividend Income | \$0 | \$0 |
| 421 | Non-Utility Income | (200) | 0 |
| 426 | Miscellaneous Non-Utility (Expense) | 200 | 0 |
| 427 | Interest (Expense) | 0 | 0 |
| | Total Other Income / (Expense) | \$0 | \$0 |
| | Net Income / (Loss) | \$21,343 | \$18,214 |

Montezuma Rimrock Water Company LLC
Annual Report
Full time equivalent employees
12/31/19

Full time equivalent employees

| | Direct Company | Allocated | Outside service | Total |
|----------------------|----------------|-----------|-----------------|-------|
| President | N/A | 0.0 | 0.0 | 0.0 |
| Vice-president | N/A | 0.0 | 0.0 | 0.0 |
| Manager | 1.0 | 0.0 | 0.0 | 1.0 |
| Engineering Staff | N/A | 0.0 | 1.0 | 1.0 |
| System Operator(s) | 1.0 | 0.0 | 0.0 | 1.0 |
| Meter reader | 1.0 | 0.0 | 1.0 | 2.0 |
| Customer Service | 1.0 | 0.0 | 1.0 | 2.0 |
| Accounting | 1.0 | 0.0 | 1.0 | 2.0 |
| Business Office | 1.0 | 0.0 | 0.0 | 1.0 |
| Rates Department | 1.0 | 0.0 | 0.0 | 1.0 |
| Administrative Staff | 1.0 | 0.0 | 1.0 | 2.0 |
| Other | N/A | 0.0 | 0.0 | 0.0 |
| Total | 8.0 | 0.0 | 5.0 | 13.0 |

Montezuma Rimrock Water Company LLC
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 | 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 | 1/0/1900 | 1/0/1900 | 1/0/1900 |
| 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: | \$8,894 |
|---|---------|

| | |
|---|---------|
| Meter Deposits Refunded During the Test Year: | \$2,952 |
|---|---------|

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: | | | MONTEZUMA RIMROCK WC, LLC | | | | | | | | |
| ADEQ Public Water System Number: | | | AZ0413071 | | | | | | | | |
| ADWR PCC Number: | | | 91-000648.0000 | | | | | | | | |
| Well registry 55# (55-XXXXXX): | Pump Horsepower | Pump Yield (gpm) | Casing Depth (feet) | Casing Diameter (inches) | Pump Motor Type ** | Year Drilled | Water level 2010 | Water level 2019 | Meter Size (inches) | How measured: | Active |
| 55-202458 | 5 | 15 | 390 | 5 | Submersible | 2004 | N/A | N/A | 0 | N/A | No |
| 55-621604 | 5 | 55 | 85 | 8 | Submersible | 1982 | N/A | N/A | 2 | Metered | Yes |
| 55-213141 | 7 | 150 | 400 | 8 | Submersible | 2008 | 90 | N/A | 0 | N/A | No |
| 55-621605 | 0 | 0 | 360 | 5 | N/A | 1982 | N/A | N/A | 0 | N/A | No |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

| | |
|---|------|
| 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): | N/A |

| 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 Expense ⁶ | Purchased Power (kWh) ⁷ |
|-----------|--|-----------------------------------|--|--|---|--------------------------------------|------------------------------------|
| January | 872,000.00 | 887,000.00 | 0.00 | 0.00 | 0.00 | \$626 | 4,368 |
| February | 779,000.00 | 753,000.00 | 0.00 | 0.00 | 0.00 | 495 | 3,451 |
| March | 729,000.00 | 692,000.00 | 0.00 | 0.00 | 0.00 | 484 | 3,336 |
| April | 898,000.00 | 852,000.00 | 0.00 | 0.00 | 0.00 | 441 | 3,123 |
| May | 925,000.00 | 909,000.00 | 0.00 | 0.00 | 0.00 | 490 | 3,555 |
| June | 1,152,000.00 | 1,156,000.00 | 0.00 | 0.00 | 10,000.00 | 519 | 3,811 |
| July | 1,176,000.00 | 1,070,000.00 | 0.00 | 0.00 | 0.00 | 593 | 4,632 |
| August | 1,120,000.00 | 1,076,000.00 | 0.00 | 0.00 | 0.00 | 497 | 3,803 |
| September | 1,158,000.00 | 1,128,000.00 | 0.00 | 0.00 | 0.00 | 589 | 4,701 |
| October | 1,043,000.00 | 942,000.00 | 0.00 | 0.00 | 0.00 | 466 | 3,545 |
| November | 952,000.00 | 900,000.00 | 0.00 | 0.00 | 0.00 | 485 | 3,766 |
| December | 1,291,000.00 | 767,000.00 | 0.00 | 0.00 | 0.00 | 431 | 3,924 |
| Totals | 12,095,000.00 | 11,132,000.00 | 0.00 | 0.00 | 10,000.00 | \$6,115 | 46,015 |

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

| |
|---|
| 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: | | MONTEZUMA RIMROCK WC, LLC | |
| ADEQ Public Water System Number: | | AZ0413071 | |
| ADWR PCC Number: | | 91-000648.0000 | |

| MAINS | | |
|----------------|----------|---------------|
| Sizes (inches) | Material | Length (feet) |
| 2.00 | PVC 40 | 733 |
| 3.00 | NA | 0 |
| 4.00 | PVC 40 | 1,670 |
| 6.00 | PVC 40 | 13,233 |
| 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 | 100% | 1959 |
| NA | 0% | 0 |
| NA | 0% | 0 |
| NA | 0% | 0 |
| NA | 0% | 0 |

| BOOSTER PUMPS | | |
|---------------|-----|----------|
| Horsepower | GPM | Quantity |
| 7 | 55 | 3 |
| 5 | 35 | 1 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |

| STORAGE TANKS | | | |
|--------------------|----------|----------|----------------|
| Capacity (gallons) | Material | Quantity | Year installed |
| 5,000 | Plastic | 2 | 2006 |
| 5,000 | Plastic | 2 | 2017 |
| 5,000 | Plastic | 4 | 2018 |
| 5,000 | Plastic | 2 | 2019 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |

| FIRE HYDRANTS | |
|---------------|----------|
| Type | Quantity |
| Standard * | 3 |
| Other | 1 |

| PRESSURE/BLADDER TANKS | | | |
|------------------------|----------|----------|----------------|
| Capacity (gallons) | Material | Quantity | Year installed |
| 8,000 | Metal | 1 | 2018 |
| 2,000 | metal | 1 | 2000 |
| 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)

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

| | |
|----------------------|---|
| TREATMENT EQUIPMENT: | hypochlorinator; arsenic treatment system |
| STRUCTURES: | 10' x 20' arsenic treatment facility building; 8' x 10' supply shed |
| OTHER: | N/A |

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
- (b) If no historical flow data are available, use:
ERC = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)

| | |
|--------------|-------|
| ERC | 4,417 |
| Method used: | (a) |

| Customer and Other Information | | |
|----------------------------------|---------------------------|--|
| Name of the System: | MONTEZUMA RIMROCK WC, LLC | |
| ADEQ Public Water System Number: | AZ0413071 | |
| ADWR PCC Number: | 91-000648.0000 | |

| Month | Number of Customers | | | | |
|-----------|---------------------|--------------|------------|-----------------|-----------------------|
| | Single-Family | Multi-Family | Commercial | Turf/Irrigation | Other Non-Residential |
| January | 210 | 6 | 4 | 0 | 0 |
| February | 204 | 6 | 4 | 0 | 0 |
| March | 208 | 6 | 4 | 0 | 0 |
| April | 212 | 6 | 4 | 0 | 0 |
| May | 207 | 6 | 4 | 0 | 0 |
| June | 211 | 6 | 4 | 0 | 0 |
| July | 212 | 6 | 4 | 0 | 0 |
| August | 212 | 6 | 4 | 0 | 0 |
| September | 211 | 6 | 4 | 0 | 0 |
| October | 211 | 6 | 4 | 0 | 0 |
| November | 209 | 6 | 4 | 0 | 0 |
| December | 218 | 6 | 4 | 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.

MRWC is currently working on installing Well #4

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

Montezuma Rimrock Water Company LLC
Annual Report
Utility Shutoffs / Disconnects
12/31/19

| Utility Shutoffs / Disconnects | |
|----------------------------------|---------------------------|
| Name of the System: | MONTEZUMA RIMROCK WC, LLC |
| ADEQ Public Water System Number: | AZ0413071 |
| ADWR PCC Number: | 91-000648.0000 |

| Month | Termination without Notice R14-2-410.B | Termination with Notice R14-2- 410.C | Other |
|--------------|---|--|----------|
| January | 0 | 4 | 0 |
| February | 0 | 7 | 0 |
| March | 0 | 1 | 0 |
| April | 0 | 4 | 0 |
| May | 0 | 8 | 0 |
| June | 0 | 5 | 0 |
| July | 0 | 0 | 0 |
| August | 0 | 6 | 0 |
| September | 0 | 3 | 0 |
| October | 0 | 0 | 0 |
| November | 0 | 3 | 0 |
| December | 0 | 0 | 0 |
| Total | 0 | 41 | 0 |

Other (description):

| |
|-----|
| N/A |
|-----|

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.

Montezuma Rimrock Water Company LLC
Annual Report
Property Taxes
12/31/19

| Property Taxes | |
|----------------|--|
|----------------|--|

| |
|--|
| Amount of actual property taxes paid during Calendar Year 2019 was |
|--|

| |
|---------|
| \$7,962 |
|---------|

| |
|---|
| 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. |
|---|

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: Patricia D Olsen, Manager
Company name: Montezuma Rimrock Water Company 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.

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BY EMAIL

3/19/2020, 8:37 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official

928-300-3291
telephone no.

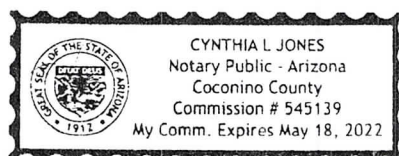
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS 9th DAY OF

Coconino
(county name)
March 2020
(month) and (year)

MY COMMISSION EXPIRES

May 18, 2022
(date)



Cynthia L Jones
(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:

Patricia D Olsen, Manager

Company name:

Montezuma Rimrock Water Company 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 (\$)

\$157,189

(The amount in the box above includes

\$8,883

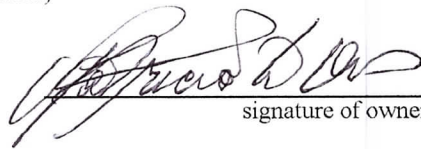
in sales taxes

billed or collected)

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3/19/2020, 8:37 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



signature of owner/official

928-300-3291

telephone no.

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

Coconino

(county name)

THIS

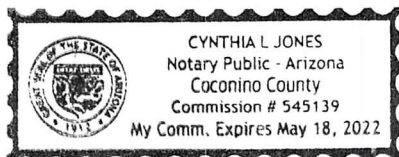
19th

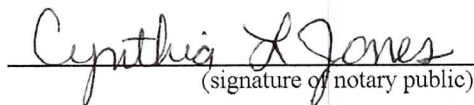
DAY OF

March 2020
(month) and (year)

MY COMMISSION EXPIRES

May 18, 2022
(date)




(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:

Patricia D Olsen, Manager

Company name:

Montezuma Rimrock Water Company 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 (\$)

\$157,189

(The amount in the box above includes

\$8,883

in sales taxes
billed or collected)

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



signature of owner/official

928-300-3291

telephone no.

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

Coconino

(county name)

THIS

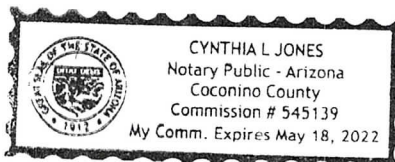
19th

DAY OF

March 2020
(month) and (year)

MY COMMISSION EXPIRES

May 18, 2022
(date)




(signature of notary public)

Montezuma Rimrock Water Company LLC
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):

Yavapai

Name (owner or official) title:

Patricia D Olsen, Manager

Company name:

Montezuma Rimrock Water Company LLC

FOR THE YEAR ENDING: 12/31/19

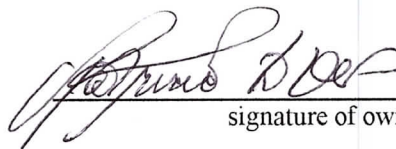
Sworn Statement:

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**

3/19/2020, 8:37 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



signature of owner/official

928-300-3291

telephone no.

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

Coconino

(county name)

THIS

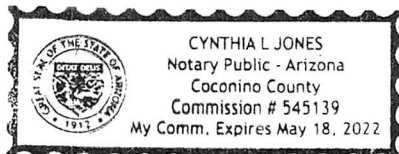
19th

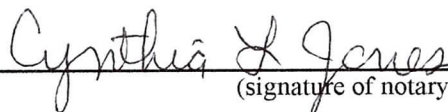
DAY OF

March 2020
(month) and (year)

MY COMMISSION EXPIRES

May 18, 2022
(date)





(signature of notary public)