

ANNUAL REPORT

Of

Company Name: Q Mountain Water, Inc.

c/o Bruce Jacobson

Mailing Address: 1334 S. 5th Ave.

Yuma AZ

85364

Docket No.: W-02800A

For the Year Ended: 12/31/19

RECEIVED

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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: 5/1/2020

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Q Mountain Water, Inc.
A Class ☐ E Utility

For the Calendar Year Ended: 12/31/19

Primary Address:

12486 S Foothills Blvd
City: Yuma State: AZ Zip Code: 85367

Telephone Number:

928-342-3344

Date of Original Organization of Utility:

9/7/1993

Person to whom correspondence should be addressed concerning this report:

Name:

Andrew J Capestro

Telephone No. :

928-342-3344

Address:

12486 S Foothills Blvd
City: Yuma State: AZ Zip Code: 85367

Email:

acaestro@aol.com
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n/a

Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: n/a Zip Code: n/a

Email:

n/a

n/a

Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: n/a Zip Code: n/a

Email:

n/a

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Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: n/a Zip Code: n/a

Email:

n/a

n/a

Name:

n/a

Telephone No. :

n/a

Address:

n/a
City: n/a State: n/a Zip Code: n/a

Email:

n/a

Ownership:

Corporation

Counties Served:

La Paz

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Q Mountain Water, Inc.

Important changes during the year
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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.
	None

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.
	None

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	\$610	\$0	\$0	\$610	\$0	\$610
302	Franchises	0	0	\$0	0	0	0
303	Land and Land Rights	9,488	0	\$0	9,488	0	9,488
304	Structures and Improvements	6,073	0	\$0	6,073	4,654	1,419
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	1,103,895	0	\$0	1,103,895	528,171	575,724
308	Infiltration Galleries	0	0	\$0	0	0	0
309	Supply Mains	13,664	0	\$0	13,664	1,775	11,889
310	Power Generation Equipment	0	0	\$0	0	0	0
311	Pumping Equipment	101,543	20,754	\$0	122,297	71,953	50,344
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	144,446	0	\$0	144,446	46,534	97,912
330.2	Pressure Tanks	0	0	\$0	0	0	0
331	Transmission and Distribution Mains	363,774	0	\$0	363,774	124,173	239,601
333	Services	100,256	0	\$0	100,256	41,566	58,690
334	Meters and Meter Installations	42,153	0	\$0	42,153	39,943	2,210
335	Hydrants	41,015	0	\$0	41,015	16,072	24,943
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	6,319	0	\$0	6,319	6,319	0
340.1	Computer & Software	0	0	\$0	0	0	0
341	Transportation Equipment	2,522	0	\$0	2,522	2,522	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	21,151	0	\$0	21,151	20,637	514
346	Communication Equipment	0	0	\$0	0	0	0
347	Miscellaneous Equipment	0	0	\$0	0	0	0
348	Other Tangible Plant	21,455	0	\$0	21,455	21,266	189
	Totals	\$1,978,364	\$20,754	\$0	\$1,999,118	\$925,585	\$1,073,533

Q Mountain Water, 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	\$610	\$0	\$0	\$610	\$610	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	9,488	0	0	9,488	9,488	0	0.00%	0
304	Structures and Improvements	6,073	0	0	6,073	0	6,073	4.40%	267
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	1,103,895	0	0	1,103,895	0	1,103,895	3.30%	36,429
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	13,664	0	0	13,664	0	13,664	2.00%	273
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	101,543	20,754	0	122,297	0	122,297	8.00%	8,954
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	144,446	0	0	144,446	0	144,446	2.22%	3,207
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	363,774	0	0	363,774	0	363,774	2.00%	7,275
333	Services	100,256	0	0	100,256	0	100,256	2.00%	2,005
334	Meters and Meter Installations	42,153	0	0	42,153	0	42,153	1.85%	780
335	Hydrants	41,015	0	0	41,015	0	41,015	2.00%	820
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	6,319	0	0	6,319	0	6,319	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	2,522	0	0	2,522	0	2,522	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	21,151	0	0	21,151	0	21,151	3.00%	635
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	21,455	0	0	21,455	0	21,455	0.50%	107
	Subtotal	\$1,978,364	\$20,754	\$0	\$1,999,118	\$10,098	\$1,989,020		\$60,752

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	3.05%
Amortization of CIAC	\$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE \$60,752

Q Mountain Water, 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		(\$1,818)	\$421
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		5,413	13,395
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		271	262
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$3,866	\$14,078
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,978,364	\$1,999,118
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(864,821)	(925,585)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$1,113,543	\$1,073,533
	Total Assets		\$1,117,409	\$1,087,611

*Note these items feed automatically from AR3 UPIS Page 4

Q Mountain Water, 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		\$22,465	\$23,493
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		96,823	138,616
235	Customer Deposits		18,635	18,954
236	Accrued Taxes		85,338	89,802
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$223,261	\$270,865
	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		1,129,506	1,129,506
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		\$1,129,506	\$1,129,506
	Total Liabilities		\$1,352,767	\$1,400,370
	Capital Accounts			
201	Common Stock Issued		\$33,000	\$33,000
211	Other Paid-In Capital		1,170,451	1,085,255
215	Retained Earnings		(1,438,809)	(1,431,014)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$235,358)	(\$312,759)
	Total Liabilities and Capital		\$1,117,409	\$1,087,611

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

Q Mountain Water, 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	\$116,822	\$113,622
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	0
	Total Revenues	\$116,822	\$113,622
	Operating Expenses		
601	Salaries and Wages	\$33,565	\$30,663
604	Employee Pensions and Benefits	0	0
610	Purchased Water	6,142	1,480
615	Purchased Power	35,237	35,459
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	476	1,636
620.2	Office Supplies and Expense	2,718	3,064
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	2,500	750
633	Contractual Services - Legal	7,032	5,625
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	1,083	1,903
636	Contractual Services - Other	2,172	2,081
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	21,783	21,289
650	Transportation Expenses	592	826
657	Insurance - General Liability	4,340	3,330
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	2,651	2,662
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	154	100
403	Depreciation Expense (From Schedule AR4)	60,752	60,541
408	Taxes Other Than Income	2,980	2,676
408.11	Property Taxes	6,216	5,869
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$190,393	\$179,954
	Operating Income / (Loss)	(\$73,572)	(\$66,332)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$314
421	Non-Utility Income	1,761	4,366
426	Miscellaneous Non-Utility (Expense)	(3,144)	(222)
427	Interest (Expense)	(7,740)	(6,943)
	Total Other Income / (Expense)	(\$9,124)	(\$2,485)
	Net Income / (Loss)	(\$82,696)	(\$68,817)

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	1.0	0.0	0.0	1.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.5	0.0	0.0	0.5
Meter reader	0.3	0.0	0.0	0.3
Customer Service	0.3	0.0	0.0	0.3
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	2.0	0.0	0.0	2.0

Q Mountain Water, 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	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:	\$0
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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											
Name of the System:		Q Mountain Water Inc									
ADEQ Public Water System Number:		15096									
ADWR PCC Number:		#N/A									
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
55-533877	2	7	675	8	Submersible	1992	N/A	N/A	1	Metered	Y
55-560987	3	12	1,003	8	Submersible	1997	N/A	N/A	1	Metered	Y
55-576617	5	12	8	8	Submersible	1999	N/A	N/A	1	Metered	N
55-200615	10	26	990	8	Submersible	2003	N/A	N/A	1	Metered	N
55-202875	10	34	1,000	8	Submersible	2004	N/A	N/A	1	Metered	Y
55-576618	7.5	0	900	8	Submersible	1999	N/A	N/A	1	Metered	N
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	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

Name of system water delivered to:	0
ADWR PCC Number:	0
Source of water delivered to another system	0

Name of system water received from:	Town of Quartzsite
ADWR PCC Number:	0
Source of water received	Town of Quartzsite
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 Expense ⁶	Purchased Power (kWh) ⁷
January	6.36	6.06	0.00	0.00	0.00	\$1,096	6,672
February	3.80	3.62	0.00	1.09	0.00	848	5,157
March	3.78	3.60	0.00	0.00	0.00	773	4,650
April	4.28	4.08	0.00	0.00	0.00	866	5,277
May	3.83	3.63	0.00	0.00	0.00	901	4,960
June	3.88	3.70	0.00	0.00	0.00	921	5,054
July	5.29	5.04	0.00	0.00	0.00	1,106	6,217
August	3.97	3.78	0.00	0.00	0.00	1,032	5,853
September	4.99	4.75	0.00	0.00	0.00	1,155	6,537
October	5.01	4.77	0.00	0.05	0.00	933	5,171
November	4.97	4.73	0.00	0.44	0.00	797	4,935
December	4.16	3.96	0.00	0.00	0.00	745	4,623
Totals	54.32	51.72	0.00	1.58	0.00	\$11,174	65,106

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
0

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:	Q Mountain Water Inc		
ADEQ Public Water System Number:	15096		
ADWR PCC Number:	#N/A		

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC Forcemain	6,902
4.00	PVC Well 6 to Well 7	6,310
4.00	PVC Well 7 to Storage	4,260
6.00	PVC	31,113
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0

SERVICE LINES		
Material	Percent of system	Year installed
PVC	100%	1993
0	0%	0
0	0%	0
0	0%	0
0	0%	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
20	450	2
0	0	0
0	0	0
0	0	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
15,000	Steel	4	1993
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	499	95%	95%
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%

FIRE HYDRANTS	
Type	Quantity
Standard *	24
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
2,000	Steel	1	1993
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:	None
STRUCTURES:	None
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	104
Method used:	a

Customer and Other Information		
Name of the System:	Q Mountain Water Inc	
ADEQ Public Water System Number:	15096	
ADWR PCC Number:	#N/A	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	453	0	0	0	0
February	455	0	0	0	0
March	455	0	0	0	0
April	454	0	0	0	0
May	439	0	0	0	0
June	431	0	0	0	0
July	431	0	0	0	0
August	431	0	0	0	0
September	432	0	0	0	0
October	434	0	0	0	0
November	442	0	0	0	0
December	447	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.

Improvements will depend upon the ACC Rate case as well as a WIFA grant/loan

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

Q Mountain Water, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	Q Mountain Water Inc
ADEQ Public Water System Number:	15096
ADWR PCC Number:	#N/A

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.

Property Taxes	
----------------	--

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

\$4,993

If no property taxes paid, explain why.

Q Mountain Water, Inc has been operating with a negative cash flow for several years. There has not been enough of a cash flow to pay property taxes.

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): Yuma
Name (owner or official) title: Andrew J Capestro, General Manager
Company name: Q Mountain Water, 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 NOT PAID FOR THE YEARS OF 2010-2019

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

RECEIVED
BY EMAIL

4/14/2020, 03:50 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Andrew J Capestro
signature of owner/official

928-342-3344
telephone no.

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

THIS

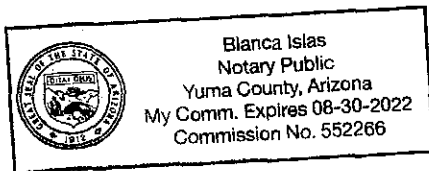
13

DAY OF

Yuma
(county name)
04/2020
(month) and (year)

MY COMMISSION EXPIRES

08/30/2022
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name):

Yuma

Name (owner or official) title:

Andrew J Capestro, General Manager

Company name:

Q Mountain Water, 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 (\$)

\$121,172

(The amount in the box above includes

\$8,559 in sales taxes

billed or collected)

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4/14/2020, 03:50 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Andrew J Capestro
signature of owner/official

928-342-3344

telephone no.

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

THIS

04

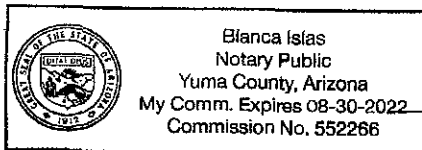
DAY OF

Yuma County
(county name)

13/2020
(month) and (year)

MY COMMISSION EXPIRES

08/30/22
(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): Yuma
Name (owner or official) title: Andrew J Capestro, General Manager
Company name: Q Mountain Water, 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 (\$)

\$112,613

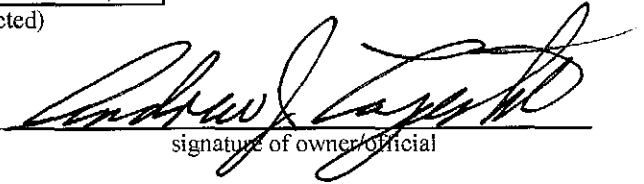
(The amount in the box above includes

\$8,559 in sales taxes
billed or collected)

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BY EMAIL**

4/14/2020, 03:50 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION


signature of owner/official

928-342-3344
telephone no.

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

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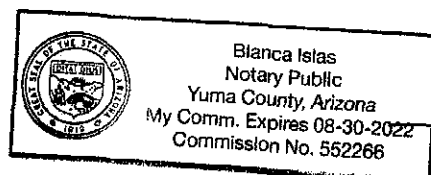
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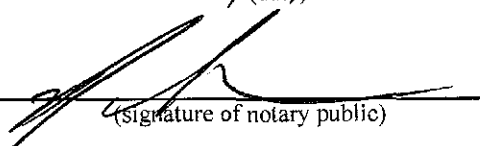
DAY OF

04/2020
(month) and (year)

MY COMMISSION EXPIRES

08/30/22
(date)




(signature of notary public)

Q Mountain Water, Inc.
Annual Report
None for Income Tax Statement of Certification
12/31/19

None for Income Tax Statement of Certification

Verification:

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

County of (county name): Yuma
Name (owner or official) title: Andrew J Capestro, General Manager
Company name: Q Mountain Water, 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 None 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, 03:50 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Andrew J Capestro
signature of owner/official
928-342-3344
telephone no.

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IN AND FOR THE COUNTY

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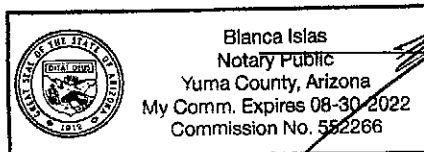
13

DAY OF

14/2020
(month) and (year)

MY COMMISSION EXPIRES

08/30/22
(date)



[Signature]
(signature of notary public)