

**ANNUAL REPORT**

Of

Company Name: **Water Utility of Northern Scottsdale, LLC**

c/o Global Water Resources, Inc.

Mailing Address: 21410 N. 19th Ave., Ste. 220  
Phoenix AZ  
85027

Docket No.: W-03720A

For the Year Ended: 12/31/18

RECEIVED  
APR 15 2019  
ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

**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: 4/15/2019

4-22-19

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Water Utility of Northern Scottsdale, LLC  
A Class  Utility

1. For the Calendar Year Ended:

2. Address:   
City:  State:  Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

5. Person to whom correspondence should be addressed concerning this report:

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

Water Utility of Northern Scottsdale, LLC  
Annual Report  
Utility Plant in Service (Water)  
12/31/18

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	30,374	0	0	30,374	0	30,374
304	Structures and Improvements	20,000	0	0	20,000	9,667	10,333
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	123,970	8,945	0	132,915	57,556	75,358
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	11,620	0	11,620	116	11,503
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	232,716	29,892	0	262,608	222,903	39,705
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	377	0	0	377	128	249
320.2	Solution Chemical Feeders	3,094	0	0	3,094	1,555	1,539
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	514	0	514	6	508
330.1	Storage Tanks	168,460	0	0	168,460	54,179	114,281
330.2	Pressure Tanks	15,023	0	0	15,023	4,841	10,182
331	Transmission and Distribution Mains	1,155,497	3,798	0	1,159,296	298,705	860,590
333	Services	60,013	0	0	60,013	25,815	34,199
334	Meters and Meter Installations	48,457	6,116	0	54,573	6,983	47,590
335	Hydrants	107,314	0	0	107,314	27,686	79,628
336	Backflow Prevention Devices	775	0	0	775	620	156
339	Other Plant and Misc. Equipment	3,188	0	0	3,188	1,923	1,265
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	515	0	0	515	270	245
344	Laboratory Equipment	1,476	0	0	1,476	172	1,304
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	266	0	0	266	119	146
348	Other Tangible Plant	17,685	0	0	17,685	7,575	10,109
	<b>Totals</b>	<b>\$1,989,199</b>	<b>\$60,885</b>	<b>\$0</b>	<b>\$2,050,084</b>	<b>\$720,819</b>	<b>\$1,329,265</b>

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.

Water Utility of Northern Scottsdale, LLC  
 Annual Report  
 Depreciation Expense for the Current Year (Water)  
 12/31/18

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0.00%	0
303	Land and Land Rights	30,374	0	0	30,374	0	0.00%	0
304	Structures and Improvements	20,000	0	0	20,000	0	3.33%	667
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	123,970	8,945	0	132,915	0	3.53%	4,537
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	11,620	0	11,620	0	2.00%	116
310	Power Generation Equipment	0	0	0	0	0	0.00%	0
311	Pumping Equipment	232,716	29,892	0	262,608	215,626	13.10%	4,196
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	377	0	0	377	0	3.23%	12
320.2	Solution Chemical Feeders	3,094	0	0	3,094	0	10.23%	317
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	514	0	514	0	2.22%	6
330.1	Storage Tanks	168,460	0	0	168,460	0	2.42%	4,077
330.2	Pressure Tanks	15,023	0	0	15,023	0	0.00%	0
331	Transmission and Distribution Mains	1,155,497	3,798	0	1,159,296	0	2.00%	23,148
333	Services	60,013	0	0	60,013	0	3.33%	2,000
334	Meters and Meter Installations	48,457	6,116	0	54,573	225	8.68%	4,452
335	Hydrants	107,314	0	0	107,314	0	2.00%	2,145
336	Backflow Prevention Devices	775	0	0	775	0	6.67%	52
339	Other Plant and Misc. Equipment	3,188	0	0	3,188	0	6.41%	204
340	Office Furniture and Equipment	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	515	0	0	515	0	5.00%	26
344	Laboratory Equipment	1,476	0	0	1,476	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	266	0	0	266	0	10.00%	27
348	Other Tangible Plant	17,685	0	0	17,685	0	8.92%	1,577
	<b>Subtotal</b>	<b>\$1,989,199</b>	<b>\$60,885</b>	<b>\$0</b>	<b>\$2,050,084</b>	<b>\$215,851</b>		<b>\$47,559</b>

Contribution(s) in Aid of Construction (Gross)	\$1,804,098
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<b>\$1,804,098</b>
Times: Proposed Amortization Rate	3.74%
Amortization of CIAC	\$67,556
Less: Amortization of CIAC	<input type="text" value="\$67,556"/>
<b>DEPRECIATION EXPENSE</b>	<input type="text" value="(\$19,997)"/>

**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.

Water Utility of Northern Scottsdale, LLC  
 Annual Report  
 Balance Sheet Assets  
 12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$0	\$0
132	Special Deposits		0	0
133	Other Special Deposits		0	0
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		6,783	4,205
142	Other Accounts Receivable		0	0
143	Accumulated Provision for Uncollectable Accounts		(511)	(1,320)
146	Notes Receivable from Associated Companies		724	261
151	Plant Material and Supplies		0	0
162	Prepayments		2,253	0
173	Accrued Utility Revenue		13,861	13,336
174	Miscellaneous Current and Accrued Assets		0	0
	<b>Total Current and Accrued Assets</b>		<b>\$23,108</b>	<b>\$16,483</b>
	<b>Deferred Debits</b>			
186.1	Deferred Rate Case Expense		\$95,092	\$0
190	Accumulated Deferred Income Taxes		(74,995)	92,049
	<b>Total Deferred Debits</b>		<b>\$20,097</b>	<b>\$92,049</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,989,199	\$2,050,084
103	Property Held for Future Use		0	0
105	Construction Work in Progress		22,142	24,823
108	Accumulated Depreciation (enter as negative)*		(672,948)	(720,819)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$1,338,392</b>	<b>\$1,354,088</b>
	<b>Other Fixed Assets</b>			
114	Utility Plant Acquisition Adjustments		\$0	\$0
	<b>Total Other Fixed Assets</b>		<b>\$0</b>	<b>\$0</b>
	<b>Total Assets</b>		<b>\$1,381,597</b>	<b>\$1,462,620</b>

**Instructions:** Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

\*Note these items feed automatically from AR3 UPIS Page 3

Water Utility of Northern Scottsdale, LLC  
 Annual Report  
 Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		<b>Balance at Beginning of Year (2018)</b>	<b>Balance at End of Year (2018)</b>
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		(\$311)	\$589
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		7,460	14,290
236	Accrued Taxes, Income Taxes		2,876	11,574
237	Accrued Interest		588	1,114
241	Miscellaneous Current and Accrued Liabilities		1,887	9,562
242	Miscellaneous Current and Accrued Liabilities		0	0
	<b>Total Current Liabilities</b>		<b>\$12,500</b>	<b>\$37,130</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		2,637	9,987
253	Other Deferred Credits		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,804,098	1,804,098
272	Less: Amortization of Contributions		(281,867)	(349,423)
281	Accumulated Deferred Income Tax		0	114,452
	<b>Total Deferred Credits</b>		<b>\$1,524,867</b>	<b>\$1,579,113</b>
	<b>Total Liabilites</b>		<b>\$1,537,367</b>	<b>\$1,616,242</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		(647,213)	(766,271)
215	Retained Earnings		491,443	612,648
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>(\$155,770)</b>	<b>(\$153,622)</b>
	<b>Total Liabilities and Capital</b>		<b>\$1,381,597</b>	<b>\$1,462,620</b>

**Instructions:** Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

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

Water Utility of Northern Scottsdale, LLC  
Annual Report  
Water Comparative Income Statement  
12/31/18

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$230,627	\$177,547
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	1,122	1,400
	<b>Total Revenues</b>	<b>\$231,748</b>	<b>\$178,947</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$19,024	\$18,511
604	Employee Pensions and Benefits	3,619	3,270
610	Purchased Water	0	0
615	Purchased Power	19,164	13,845
616	Fuel for Power Production	0	0
618	Chemicals	3,188	3,335
620	Materials and Supplies	121	2
620.1	Repairs and Maintenance	4,429	3,999
620.2	Office Supplies and Expense	1,070	1,063
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	1,699	1,411
633	Contractual Services - Legal	2,795	3,701
634	Contractual Services - Management Fees	9,009	6,153
635	Contractual Services - Water Testing	1,196	501
636	Contractual Services - Other	1,249	748
640	Rents	0	0
641	Rental of Building/Real Property	259	217
642	Rental of Equipment	14	9
650	Transportation Expenses	2,252	1,959
656	Insurance - Vehicles	0	0
657	Insurance - General Liability	820	873
657.1	Insurance - Health and Life	0	0
658	Insurance - Worker's Comp	132	197
660	Advertising	9	9
665	Regulatory Commission Expense - Rate	0	255
667	Regulatory Commission Expense - Other	387	304
670	Bad Debt Expense	1,643	19
675	Miscellaneous Expense	4,367	3,808
403	Depreciation Expense (From Schedule AR4)	(19,997)	(17,707)
408	Taxes Other Than Income	566	722
408.11	Property Taxes	12,654	3,868
408.12	Payroll Taxes	1,323	1,283
409	Income Taxes	38,806	(50,813)
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$109,797</b>	<b>\$1,541</b>
	<b>Operating Income / (Loss)</b>	<b>\$121,952</b>	<b>\$177,406</b>
	<b>Other Income / (Expense)</b>		
414	Gain/Loss on Dispositions	(\$12)	\$207
419	Interest and Dividend Income	\$8	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	(1)	(1)
427	Interest (Expense)	(490)	(394)
	<b>Total Other Income / (Expense)</b>	<b>(\$495)</b>	<b>(\$188)</b>
	<b>Net Income / (Loss)</b>	<b>\$121,456</b>	<b>\$177,218</b>

**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.

Water Utility of Northern Scottsdale, LLC  
 Annual Report  
 Full time equivalent employees  
 12/31/18

**Full time equivalent employees**

	Direct Company	Outside service	Total
President	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0
Manager	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0
System Operator(s)	0.2	0.0	0.2
Meter reader	0.0	0.0	0.0
Customer Service	0.1	0.0	0.1
Accounting	0.0	0.0	0.0
Business Office	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0
Other	0.0	0.0	0.0
<b>Total</b>	0.3	0.0	0.3

**Instructions:** Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.



Water Utility of Northern Scottsdale, LLC  
 Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/18

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	n/a	n/a	n/a	n/a
Source of Loan	n/a	n/a	n/a	n/a
ACC Decision No.	n/a	n/a	n/a	n/a
Reason for Loan	n/a	n/a	n/a	n/a
Dollar Amt. Issued	n/a	n/a	n/a	n/a
Amount Outstanding	n/a	n/a	n/a	n/a
Date of Maturity	n/a	n/a	n/a	n/a
Interest Rate	n/a	n/a	n/a	n/a
Current Year Interest	n/a	n/a	n/a	n/a
Current Year Principal	n/a	n/a	n/a	n/a

Meter Deposit Balance at Test Year End:	\$9,987
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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.*



**Water Utility Plant Description**

Name of the System:		WATER UTILITY OF NORTHERN SCOTTSDALE	
ADEQ Public Water System Number:		AZ0407179	
ADWR PCC Number:		91-000243.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2	0	0
3	0	0
4	0	0
5	0	0
6	PVC	129
8	PVC	15,418
10	PVC	9,752
12	PVC	6,810
16	PVC	70
6	Unknown	46
8	Unknown	8,137
10	Unknown	7,051
0	0	0
0	0	0

CUSTOMER METERS	
Size (inches)	Quantity
5/8 X 3/4	0
3/4	3
1	80
1 1/2	4
Compound 2	0
Turbine 2	1
Compound 3	0
Turbine 3	2
Compound 4	0
Turbine 5	0
Compound 6	0
Turbine 6	0
6+	0
NA	0
NA	0
NA	0
NA	0

SERVICE LINES	
Material	Percent of system
Copper	100%
0	0
0	0
0	0
0	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
75	1,000	1
25	160	2
0	0	0
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard *	55
Other	0

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
250,000	Steel	1
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
5,000	Steel	1
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

**Instructions:** Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

\* 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.**

<b>TREATMENT EQUIPMENT:</b>	Chlorination system at each of the active wells. Total of two chlorination systems.
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<b>STRUCTURES:</b>	Block walls at each of the three well sites and water distribution center. 8' x 8' storage shed at Water Distribution Site.
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<b>OTHER:</b>	None
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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. Copy and paste this sheet as many times as is necessary.

Customer and Other Information	
Name of the System:	WATER UTILITY OF NORTHERN SCOTTSDALE
ADEQ Public Water System Number:	AZ0407179
ADWR PCC Number:	91-000243.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	85	0	0	0	0
February	86	0	1	0	0
March	86	0	1	0	0
April	87	0	1	0	0
May	88	0	1	0	0
June	88	0	1	0	0
July	88	0	1	0	0
August	88	0	2	0	1
September	88	0	2	0	1
October	88	0	2	0	0
November	88	0	2	0	0
December	88	0	2	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?

**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. Copy and paste this sheet as many times as is necessary.

Water Utility of Northern Scottsdale, LLC  
Annual Report  
Property Taxes  
12/31/18

<b>Property Taxes</b>	
Amount of actual property taxes paid during Calendar Year 2018 was	\$3,934

<p>If no property taxes paid, explain why.</p> <p>n/a</p>
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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.

Water Utility of Northern Scottsdale, LLC  
Annual Report  
Verification and Sworn Statement (Taxes)  
12/31/18

RECEIVED

APR 15 2019

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa  
Name (owner or official) title: Jon Corwin, General Manager  
Company name: Water Utility of Northern Scottsdale, LLC

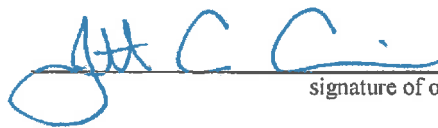
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/18

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

520-265-1947

telephone no.

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

THIS

15th

DAY OF

Maricopa

(county name)

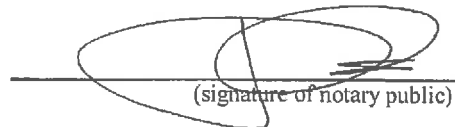
April 2019

(month) and (year)

MY COMMISSION EXPIRES

Oct. 28, 2022

(date)



(signature of notary public)



RECEIVED

APR 15 2019

ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the  
(state name)  
County of (county name): Maricopa  
Name (owner or official) title: Jon Corwin, General Manager  
Company name: Water Utility of Northern Scottsdale, LLC

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

FOR THE YEAR ENDING: 12/31/18

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.

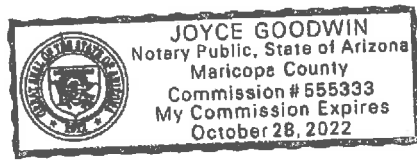
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)  
\$246,867  
(The amount in the box above includes  
\$15,119 in sales taxes  
billed or collected)

Jon Corwin  
signature of owner/official  
520-265-1947  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Maricopa  
THIS 15th DAY OF April 2019  
(month) and (year)

MY COMMISSION EXPIRES Oct. 28, 2022  
(date)



[Signature]  
(signature of notary public)

RECEIVED  
APR 15 2019

Verification and Sworn Statement (Residential Revenue) ARIZONA CORP COMMISSION  
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification:

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

County of (county name): Maricopa  
Name (owner or official) title: Jon Corwin, General Manager  
Company name: Water Utility of Northern Scottsdale, LLC

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

FOR THE YEAR ENDING: 12/31/18

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 (\$)

\$185,778

(The amount in the box above includes

\$11,378 in sales taxes  
billed or collected)

Jon Corwin  
signature of owner/official

520-265-1947  
telephone no.

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

Maricopa  
(county name)

THIS

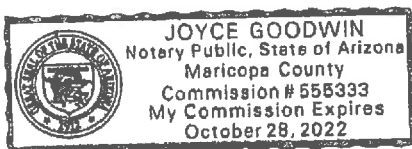
15th

DAY OF

April 2019  
(month) and (year)

MY COMMISSION EXPIRES

Oct. 28, 2022  
(date)



[Signature]  
(signature of notary public)

Company	Water Utility of Northern Scottsdale, LLC		
Docket No.:	W-03720A		
Name of the System:	WATER UTILITY OF NORTHERN SCOTTSDALE		
ADEQ Public Water System Number:	AZ0407179		
ADWR PCC Number:	91-000243.0000		

2018 Utility Shutoffs / Disconnects			
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other (description):

N/A
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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.