ANNUAL REPORT

Of

Company Name: Cordes Lakes Water Company
12725 W. Indian School Rd., Ste. D101

Mailing Address: Avondale AZ 85392

Docket No.: W-02060A
For the Year Ended: 12/31/18

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: 6/10/2019

6-25-19
ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Cordes Lakes Water Company
A Class [D] Utility

1. For the Calendar Year Ended: 12/31/18

2. Address: 12725 W. Indian School Rd., Ste D101
City: Avondale
State: Arizona
Zip Code: 85392

3. Telephone Number: 623-935-9367

4. Date of Original Organization of Utility: 10/7/1994

5. Person to whom correspondence should be addressed concerning this report:
   Name: Leticia Washington
   Telephone No.: 623-935-9367
   Address: 12725 W. Indian School Rd., Ste D101
   City: Avondale
   State: Arizona
   Zip Code: 85392
   Email: leticia.washington@libertyutilities.com

6. On-Site Manager:
   Name: Terry Gilbertson
   Telephone No.: 623-298-4825
   Address: 12725 W. Indian School Rd., Ste D101
   City: Avondale
   State: Arizona
   Zip Code: 85392
   Email: terry.gilbertson@libertyutilities.com

7. Ownership: "C" Corporation

8. Counties Served: Yavapai
### Utility Plant in Service (Water)

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Description</th>
<th>Beginning Year Original Cost</th>
<th>Current Year Additions</th>
<th>Current Year Retirements</th>
<th>Adjusted Original Cost</th>
<th>Accumulated Depreciation</th>
<th>OCLD (OC less AD)</th>
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**Totals**

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<th>Beginning Year Original Cost</th>
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<th>Current Year Retirements</th>
<th>Adjusted Original Cost</th>
<th>Accumulated Depreciation</th>
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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.
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<th>Current Year Retirements</th>
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**Contribution(s) in Aid of Construction (Gross):** 76,247.00

Less: Non Amortizable Contribution(s): 0

Fully Amortized Contribution(s): 0

Amortizable Contribution(s): $76,247

Times: Proposed Amortization Rate 5.23%

Amortization of CIAC 3,983.76

Less: Amortization of CIAC 3,984.00

**DEPRECIATION EXPENSE:** $25,715

**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.
## Balance Sheet Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>131</td>
<td>Cash</td>
<td>$1,276</td>
<td>$17,712</td>
</tr>
<tr>
<td>134</td>
<td>Working Funds</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>135</td>
<td>Temporary Cash Investments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>141</td>
<td>Customer Accounts Receivable</td>
<td>29,304</td>
<td>40,960</td>
</tr>
<tr>
<td>146</td>
<td>Notes Receivable from Associated Companies</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>151</td>
<td>Plant Material and Supplies</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>162</td>
<td>Prepayments</td>
<td>8,110</td>
<td>11,134</td>
</tr>
<tr>
<td>174</td>
<td>Miscellaneous Current and Accrued Assets</td>
<td>0</td>
<td>900</td>
</tr>
<tr>
<td></td>
<td>Total Current and Accrued Assets</td>
<td>$38,689</td>
<td>$70,706</td>
</tr>
<tr>
<td>Account No.</td>
<td>Fixed Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>101</td>
<td>Utility Plant in Service*</td>
<td>$1,282,889</td>
<td>$1,306,776</td>
</tr>
<tr>
<td>103</td>
<td>Property Held for Future Use</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>105</td>
<td>Construction Work in Progress</td>
<td>52,834</td>
<td>301,363</td>
</tr>
<tr>
<td>108</td>
<td>Accumulated Depreciation (enter as negative)*</td>
<td>(1,018,170)</td>
<td>(1,039,876)</td>
</tr>
<tr>
<td>121</td>
<td>Non-Utility Property</td>
<td>76,099</td>
<td>76,099</td>
</tr>
<tr>
<td>122</td>
<td>Accumulated Depreciation - Non Utility</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total Fixed Assets</td>
<td>$393,652</td>
<td>$644,363</td>
</tr>
<tr>
<td></td>
<td>Total Assets</td>
<td>$432,341</td>
<td>$715,069</td>
</tr>
</tbody>
</table>

**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*
Cordes Lakes Water Company  
Annual Report  
Balance Sheet Liabilities and Owners Equity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>231</td>
<td>Accounts Payable</td>
<td>$26,555</td>
<td>$105,259</td>
</tr>
<tr>
<td>232</td>
<td>Notes Payable (Current Portion)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>234</td>
<td>Notes Payable to Associated Companies</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>235</td>
<td>Customer Deposits</td>
<td>16,756</td>
<td>16,185</td>
</tr>
<tr>
<td>236</td>
<td>Accrued Taxes</td>
<td>8,023</td>
<td>10,081</td>
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<tr>
<td>237</td>
<td>Accrued Interest</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>242</td>
<td>Miscellaneous Current and Accrued Liabilities</td>
<td>0</td>
<td>2,801</td>
</tr>
<tr>
<td></td>
<td>Total Current Liabilities</td>
<td>$51,335</td>
<td>$134,326</td>
</tr>
</tbody>
</table>

| 224         | Long Term Debt (Notes and Bonds) | $29,660 | $(2,328) |

<table>
<thead>
<tr>
<th>Deferred Credits</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>251</td>
<td>Unamortized Premium on Debt</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>252</td>
<td>Advances in Aid of Construction</td>
<td>9,654</td>
<td>16,993</td>
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<tr>
<td>253</td>
<td>Other Deferred Credits</td>
<td>0</td>
<td>3,305</td>
</tr>
<tr>
<td>271</td>
<td>Contributions in Aid of Construction</td>
<td>76,247</td>
<td>300,715</td>
</tr>
<tr>
<td>272</td>
<td>Less: Amortization of Contributions</td>
<td>(45,720)</td>
<td>(50,045)</td>
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<tr>
<td>281</td>
<td>Accumulated Deferred Income Tax</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total Deferred Credits</td>
<td>$40,181</td>
<td>$270,967</td>
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</table>

|                  | Total Liabilities | $121,176 | $402,965 |

<table>
<thead>
<tr>
<th>Capital Accounts</th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>201</td>
<td>Common Stock Issued</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>211</td>
<td>Other Paid-In Capital</td>
<td>284,317</td>
<td>288,341</td>
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<tr>
<td>215</td>
<td>Retained Earnings</td>
<td>(73,152)</td>
<td>(76,237)</td>
</tr>
<tr>
<td>218</td>
<td>Proprietary Capital (Sole Props and Partnerships)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total Capital</td>
<td>$311,165</td>
<td>$312,104</td>
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<tr>
<td></td>
<td>Total Liabilities and Capital</td>
<td>$432,341</td>
<td>$715,069</td>
</tr>
</tbody>
</table>

**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 Comparative Income Statement

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Calendar Year</th>
<th>Current Year 01/01/2018 - 12/31/2018</th>
<th>Last Year 01/01/2017 - 12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$543,702</td>
<td>$487,721</td>
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<tr>
<td>461</td>
<td>Metered Water Revenue</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>460</td>
<td>Unmetered Water Revenue</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>462</td>
<td>Fire Protection Revenue</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>469</td>
<td>Guaranteed Revenues (Surcharges)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>471</td>
<td>Miscellaneous Service Revenues</td>
<td>13,294</td>
<td>12,632</td>
</tr>
<tr>
<td>474</td>
<td>Other Water Revenue</td>
<td>0</td>
<td>0</td>
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<tr>
<td></td>
<td>Total Revenues</td>
<td>$556,996</td>
<td>$500,354</td>
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<tr>
<td></td>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>601</td>
<td>Salaries and Wages</td>
<td>220,480.86</td>
<td>$213,381</td>
</tr>
<tr>
<td>604</td>
<td>Employee Pensions and Benefits</td>
<td>33,626</td>
<td>30,572</td>
</tr>
<tr>
<td>610</td>
<td>Purchased Water</td>
<td>13,393</td>
<td>6,930</td>
</tr>
<tr>
<td>615</td>
<td>Purchased Power</td>
<td>41,097</td>
<td>39,453</td>
</tr>
<tr>
<td>618</td>
<td>Chemicals</td>
<td>2,103</td>
<td>1,301</td>
</tr>
<tr>
<td>620</td>
<td>Materials and Supplies</td>
<td>3,143</td>
<td>3,911</td>
</tr>
<tr>
<td>620.1</td>
<td>Repairs and Maintenance</td>
<td>4,689</td>
<td>5,151</td>
</tr>
<tr>
<td>620.2</td>
<td>Office Supplies and Expense</td>
<td>7,815</td>
<td>5,427</td>
</tr>
<tr>
<td>630</td>
<td>Contractual Services</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>631</td>
<td>Contractual Services - Engineering</td>
<td>1,640</td>
<td>3,924</td>
</tr>
<tr>
<td>632</td>
<td>Contractual Services - Accounting</td>
<td>10,974</td>
<td>10,256</td>
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<tr>
<td>633</td>
<td>Contractual Services - Legal</td>
<td>2,196</td>
<td>2,187</td>
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<tr>
<td>634</td>
<td>Contractual Services - Management Fees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>635</td>
<td>Contractual Services - Water Testing</td>
<td>4,223</td>
<td>5,552</td>
</tr>
<tr>
<td>636</td>
<td>Contractual Services - Other</td>
<td>43,203</td>
<td>39,933</td>
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<tr>
<td>640</td>
<td>Rents</td>
<td>13,200</td>
<td>13,200</td>
</tr>
<tr>
<td>641</td>
<td>Rental of Building/Real Property</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>642</td>
<td>Rental of Equipment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>650</td>
<td>Transportation Expenses</td>
<td>20,322</td>
<td>13,258</td>
</tr>
<tr>
<td>657</td>
<td>Insurance - General Liability</td>
<td>10,223</td>
<td>15,485</td>
</tr>
<tr>
<td>657.1</td>
<td>Insurance - Health and Life</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>665</td>
<td>Regulatory Commission Expense - Rate</td>
<td>13,010</td>
<td>9,561</td>
</tr>
<tr>
<td>670</td>
<td>Bad Debt Expense</td>
<td>5,630</td>
<td>5,500</td>
</tr>
<tr>
<td>675</td>
<td>Miscellaneous Expense</td>
<td>5,633</td>
<td>3,243</td>
</tr>
<tr>
<td>403</td>
<td>Depreciation Expense (From Schedule AR4)</td>
<td>25,715</td>
<td>28,771</td>
</tr>
<tr>
<td>408</td>
<td>Taxes Other Than Income</td>
<td>15,670</td>
<td>15,341</td>
</tr>
<tr>
<td>408.11</td>
<td>Property Taxes</td>
<td>21,391</td>
<td>20,765</td>
</tr>
<tr>
<td>409</td>
<td>Income Taxes</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>427.1</td>
<td>Customer Security Deposit Interest</td>
<td>2,572</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total Operating Expenses</td>
<td>$522,007</td>
<td>$493,152</td>
</tr>
<tr>
<td></td>
<td>Operating Income / (Loss)</td>
<td>$34,989</td>
<td>$7,201</td>
</tr>
<tr>
<td></td>
<td>Other Income / (Expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>419</td>
<td>Interest and Dividend Income</td>
<td>0.52</td>
<td>$0</td>
</tr>
<tr>
<td>421</td>
<td>Non-Utility Income</td>
<td>1,101</td>
<td>0</td>
</tr>
<tr>
<td>433</td>
<td>Extraordinary Income</td>
<td>4,757</td>
<td>0</td>
</tr>
<tr>
<td>426</td>
<td>Miscellaneous Non-Utility (Expense)</td>
<td>(26,777)</td>
<td>(775)</td>
</tr>
<tr>
<td>427</td>
<td>Interest (Expense)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>434</td>
<td>Extraordinary Deductions</td>
<td>(8,785)</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total Other Income / (Expense)</td>
<td>(29,702)</td>
<td>(775)</td>
</tr>
<tr>
<td></td>
<td>Net Income / (Loss)</td>
<td>$5,287</td>
<td>$6,426</td>
</tr>
</tbody>
</table>

**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.
## Full time equivalent employees

<table>
<thead>
<tr>
<th></th>
<th>Direct Company</th>
<th>Outside service</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>0.00</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Vice-president</td>
<td>0.00</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Manager</td>
<td>0.00</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Engineering Staff</td>
<td>0.00</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>System Operator(s)</td>
<td>3.00</td>
<td>0.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Meter reader</td>
<td>0.00</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Customer Service</td>
<td>1.00</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Accounting</td>
<td>0.00</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Business Office</td>
<td>0.00</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Rates Department</td>
<td>0.00</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Administrative Staff</td>
<td>0.00</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other</td>
<td>0.00</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4.00</strong></td>
<td><strong>1.0</strong></td>
<td><strong>5.0</strong></td>
</tr>
</tbody>
</table>

**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.
### Supplemental Financial Data (Long-Term Debt)

<table>
<thead>
<tr>
<th></th>
<th>Loan #1</th>
<th>Loan #2</th>
<th>Loan #3</th>
<th>Loan #4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Issued</td>
<td>9/22/2017</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Source of Loan</td>
<td>WIFA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>ACC Decision No.</td>
<td>76334</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Reason for Loan</td>
<td>System Improve</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Dollar Amt. Issued</td>
<td>$0</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Amount Outstanding</td>
<td>($2,328)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td>Date of Maturity</td>
<td>10/1/2037</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td>Interest Rate</td>
<td>3.48%</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Current Year Interest</td>
<td>$0</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Current Year Principal</td>
<td>($2,328)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

**Meter Deposit Balance at Test Year End:** $16,185

**Meter Deposits Refunded During the Test Year:** $12,096

*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

<table>
<thead>
<tr>
<th>Name of the System:</th>
<th>CORDES LAKE WATER COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADEQ Public Water System Number:</td>
<td>AQ2131023</td>
</tr>
<tr>
<td>ADWR PCC Number:</td>
<td>91-000061.1000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Well registry 559 (SS-XXXXXX):</th>
<th>Pump Horsepower</th>
<th>Pump Yield (gpm)</th>
<th>Casing Depth (feet)</th>
<th>Casing Diameter (inches)</th>
<th>Pump Motor Type**</th>
<th>Year Drilled</th>
<th>Meter Size (inches)</th>
<th>How measured</th>
<th>Active</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-609346 (1)</td>
<td>7.5</td>
<td>65</td>
<td>470</td>
<td>12</td>
<td>submersible</td>
<td>1969</td>
<td>3</td>
<td>Metered</td>
<td>Yes</td>
</tr>
<tr>
<td>55-518195 (2)</td>
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<td>95</td>
<td>380</td>
<td>8</td>
<td>submersible</td>
<td>1987</td>
<td>3</td>
<td>Metered</td>
<td>Yes</td>
</tr>
<tr>
<td>55-609347 (4)</td>
<td>7.5</td>
<td>94</td>
<td>500</td>
<td>12</td>
<td>submersible</td>
<td>1988</td>
<td>3</td>
<td>Metered</td>
<td>Yes</td>
</tr>
<tr>
<td>55-568585 (5)</td>
<td>10</td>
<td>65</td>
<td>343</td>
<td>10</td>
<td>submersible</td>
<td>1998</td>
<td>3</td>
<td>Metered</td>
<td>Yes</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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<td>NA</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
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</tr>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Name of system water delivered to:

<table>
<thead>
<tr>
<th>ADWR PCC Number:</th>
</tr>
</thead>
</table>

Source of water delivered to another system

Name of system water received from:

<table>
<thead>
<tr>
<th>ADWR PCC Number:</th>
</tr>
</thead>
</table>

Source of water received

Well registry 559 (SS-XXXXXX):  

<table>
<thead>
<tr>
<th>Month</th>
<th>Water withdrawn (acre ft)</th>
<th>Water sold (acre ft)</th>
<th>Water delivered (sold) to other systems (acre ft)</th>
<th>Water received (purchased) from other systems (acre ft)</th>
<th>Estimated authorized use (acre ft)</th>
<th>Purchased Power Expense $</th>
<th>Purchased Power (kWh) $</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>16.68</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>February</td>
<td>16.49</td>
<td>13.80</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>March</td>
<td>17.89</td>
<td>11.97</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>April</td>
<td>20.78</td>
<td>14.90</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>May</td>
<td>22.07</td>
<td>15.15</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>June</td>
<td>24.28</td>
<td>20.61</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>July</td>
<td>29.96</td>
<td>14.81</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>August</td>
<td>27.08</td>
<td>15.21</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>September</td>
<td>22.21</td>
<td>14.21</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>October</td>
<td>16.59</td>
<td>12.99</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>November</td>
<td>16.61</td>
<td>14.13</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>December</td>
<td>17.30</td>
<td>10.90</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Totals</td>
<td>247.942</td>
<td>169.181</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

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

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
## Water Utility Plant Description

<table>
<thead>
<tr>
<th>Name of the System:</th>
<th>CORDES LAKE WATER COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADEQ Public Water System Number:</td>
<td>AZ0413023</td>
</tr>
<tr>
<td>ADWR PCC Number:</td>
<td>91-000616.0000</td>
</tr>
</tbody>
</table>

### MAINS

<table>
<thead>
<tr>
<th>Sizes (inches)</th>
<th>Material</th>
<th>Length (feet)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.00</td>
<td>PVC</td>
<td>168,000</td>
</tr>
<tr>
<td>8.00</td>
<td>PVC</td>
<td>234,000</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

### CUSTOMER METERS

<table>
<thead>
<tr>
<th>Size (inches)</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.75</td>
<td>1,470</td>
</tr>
<tr>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

### SERVICE LINES

<table>
<thead>
<tr>
<th>Material</th>
<th>Percent of system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black poly</td>
<td>100%</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

### BOOSTER PUMPS

<table>
<thead>
<tr>
<th>Horsepower</th>
<th>GPM</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5</td>
<td>N/A</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>N/A</td>
<td>5</td>
</tr>
<tr>
<td>7.5</td>
<td>N/A</td>
<td>8</td>
</tr>
<tr>
<td>10</td>
<td>N/A</td>
<td>2</td>
</tr>
</tbody>
</table>

### STORAGE TANKS

<table>
<thead>
<tr>
<th>Capacity (gallons)</th>
<th>Material</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>16,000</td>
<td>Steel</td>
<td>1</td>
</tr>
<tr>
<td>30,000</td>
<td>Steel</td>
<td>2</td>
</tr>
<tr>
<td>45,000</td>
<td>Steel</td>
<td>2</td>
</tr>
<tr>
<td>100,000</td>
<td>Steel</td>
<td>1</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

### FIRE HYDRANTS

<table>
<thead>
<tr>
<th>Type</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard *</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
</tbody>
</table>

### PRESSURE/BLADDER TANKS

<table>
<thead>
<tr>
<th>Capacity (gallons)</th>
<th>Material</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,000</td>
<td>Steel</td>
<td>1</td>
</tr>
<tr>
<td>5,000</td>
<td>Steel</td>
<td>4</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>TREATMENT EQUIPMENT:</th>
<th>Chlorinators all wells.</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRUCTURES:</td>
<td>8'x8' Wood Pump House &amp; Fence at Well 1. 8'x8' Block Pump House &amp; Fence at Well 2. 10'x12' Wood Pump House &amp; Fence at Well 3 (out of service). 12'x12' Block Pump House &amp; Fence at Well 4. 8'x8' Wood Pump House &amp; Fence at Well 5. Fencing around Booster Stations 1, 2 and 3</td>
</tr>
<tr>
<td>OTHER:</td>
<td>None</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Name of the System:</th>
<th>CORDES LAKE WATER COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADEQ Public Water System Number:</td>
<td>AZ0413023</td>
</tr>
<tr>
<td>ADWR PCC Number:</td>
<td>91-000616.0000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>Single-Family</th>
<th>Multi-Family</th>
<th>Commercial</th>
<th>Turf/Irrigation</th>
<th>Other Non-Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>1,325</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>February</td>
<td>1,320</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>March</td>
<td>1,322</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>April</td>
<td>1,320</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>May</td>
<td>1,327</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>June</td>
<td>1,316</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>July</td>
<td>1,319</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>August</td>
<td>1,318</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>September</td>
<td>1,320</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>October</td>
<td>1,324</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>November</td>
<td>1,322</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>December</td>
<td>1,317</td>
<td>0</td>
<td>27</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Total:** 1,354

If the system has fire hydrants, what is the fire flow requirements?  
NA GPM for  
NA hrs.

Does the system have chlorination treatment?  
Yes

Does the Company have an ADWR Gallons Per Capita Per Day (GCPD) requirement?  
No

If yes, provide the GPCPD amount:  
NA

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
No

If yes, which AMA?  
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. Copy and paste this sheet as many times as is necessary.
<table>
<thead>
<tr>
<th>Month</th>
<th>Termination without Notice R14-2-410.B</th>
<th>Termination with Notice R14-2-410.C</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>0</td>
<td>16</td>
<td>0</td>
</tr>
<tr>
<td>February</td>
<td>0</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>March</td>
<td>0</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>April</td>
<td>0</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>May</td>
<td>0</td>
<td>21</td>
<td>0</td>
</tr>
<tr>
<td>June</td>
<td>0</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>July</td>
<td>0</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>August</td>
<td>0</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>September</td>
<td>0</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>October</td>
<td>0</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>November</td>
<td>0</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>December</td>
<td>0</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>181</td>
<td>0</td>
</tr>
</tbody>
</table>

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.
### Property Taxes

| Amount of actual property taxes paid during Calendar Year 2018 was | 21,390.60 |

| If no property taxes paid, explain why. | |

**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.
Cordes Lakes Water Company
Annual Report
Verification and Sworn Statement (Taxes)
12/31/18

**Verification and Sworn Statement (Taxes)**

**Verification:** State of [Arizona]
(State name)

County of (county name): Maricopa

Name (owner or official) title: Matthew Garlick, President

Company name: Cordes Lakes Water Company

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]
(signature of owner/official)

[Phone number]
(telephone no.)

[County name]
(Signature of notary public)

[Date]
(date)

Page 15
Verification and Sworn Statement

Verification:
State of Arizona, the undersigned of the
County of (county name): Maricopa
Name (owner or official) title: Matthew Garlick, President
Company name: Cordes Lakes Water Company

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 ($)
595,954.15
(The amount in the box above includes 35,653.38 in sales taxes billed or collected)

signature of owner/official

623-935-9367
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY Maricopa (county name)

THIS Day of May 2019 (month) and (year)

MY COMMISSION EXPIRES

Virginia P Covarrubias (signature of notary public)
Verification and Sworn Statement (Residential Revenue)

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

County of (county name): Maricopa
Name (owner or official) title: Matthew Garlick, President
Company name: Cordes Lakes Water Company

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 ($) 571,631.57
(The amount in the box above includes 34,146.62
 billed or collected)

Signature of owner/official
Matthew Garlick
623-935-9367 telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Maricopa
(county name)

THIS 9TH DAY OF May, 2019
(month and year)

MY COMMISSION EXPIRES April 13, 2022
(date)

Signature of notary public
Virginia P. Covarrubias
Notary Public - Arizona
Maricopa County
My Commission Expires April 13, 2022