

ORIGINAL NEW APPLICATION



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1 Steve Wene, State Bar No. 019630
2 MOYES SELLERS & HENDRICKS LTD.
3 1850 N. Central Ave., Suite 1100
4 Phoenix, Arizona 85004
5 Telephone: 602-604-2141
6 e-mail: swene@law-msh.com

BEFORE THE ARIZONA CORPORATION COMMISSION

8 COMMISSIONERS

9 DOUG LITTLE - CHAIRMAN
10 BOB STUMP
11 BOB BURNS
12 TOM FORESE
13 ANDY TOBIN

Arizona Corporation Commission

DOCKETED

OCT 05 2016

DOCKETED BY *[Signature]*

2016 OCT -5 P 4: 21

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

W-02168A-16-0361

14 **IN THE MATTER OF THE**
15 **APPLICATION OF TRUXTON CANYON**
16 **WATER COMPANY, INC., FOR**
17 **AUTHORITY TO INCUR LONG-TERM**
18 **DEBT**

DOCKET NO. W-02168A-16-
FINANCE APPLICATION

19 Truxton Canyon Water Company, Inc. ("Truxton" or "Company") hereby files an
20 application to finance improvements to its water system.
21

22 **INFORMATION REQUESTED ON APPLICATION FORM**

23 **1. Applicant's Name and Address.**

24 Truxton Canyon Water Company, Inc.
25 Attn: Rick Neal
26 3001 Westwood Dr.
27 Las Vegas, NV 89109
28 (ph) 702-256-4006
(fax) 702-256-2522

1 **2. Person Authorized to Receive Communications.**

2 Steve Wene
3 Moyes Sellers & Hendricks Ltd.
4 1850 North Central Ave., Suite 1100
5 Phoenix, Arizona 85004
6 Telephone: (602) 604-2189
7 Facsimile: (602) 274-9135
8 swene@law-msh.com

9 **3. Data Request Responses.**

10 The responses to the data request are set forth in Attachment A.

11 **4. Consistency with A.R.S. § 40-301 et seq.**

12 The proposed financing is: (a) within the Company's corporate powers;
13 (b) compatible with the public interest; (c) compatible with sound financial practices;
14 (d) compatible with the proper performance by the applicant of service as a public service
15 corporation and will not impair the Company's ability to perform that service; and (e) not
16 reasonably chargeable to operative expenses or to income because the proceeds are being
17 used to make major capital improvements.

18 **5. Proceeds Statement and Service Fees.**

19 Gross proceeds will be \$248, 944. There is no origination fee. The Company will
20 net \$248,944 from the proposed loan. Under WIFA's terms, the Company anticipates
21 paying a fixed interest rate of approximately 5.25%. This market rate loan is reasonable
22 for the Commission to approve.

23 **6. Documents to be Executed in this Matter.**

24 A copy of a standard loan agreement is set forth in Attachment B.

25 **7. Customer Notice.**

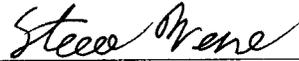
26 The Commission's required notice will be timely published in a newspaper of
27 general circulation in the Company's service area. The Company will file with the
28 Commission a copy of the actual notice published and an affidavit stating when it was
published.

1 **REQUEST FOR APPROVAL**

2 As set forth in this Application, the Company requests that the Commission
3
4 authorize the financing described herein.

5 DATED this 5th day of October, 2016.

6 **MOYES SELLERS & HENDRICKS LTD.**

7
8
9 

10 Steve Wene

11 **Original and 13 copies filed this**
12 **5th day of October, 2016, with:**

13 Docket Control
14 Arizona Corporation Commission
15 1200 West Washington
16 Phoenix, Arizona 85007

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18 
19

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Attachment A

1
2
3 **ATTACHMENT A**

4 **1.1** – Provide audited financial statements for the Company’s most recent fiscal year end
5 to include, but not limited to, balance sheets, income statements, reconciliation of
6 retained earnings (membership capital or equity), cash flow statements, footnotes,
7 disclosures, and any other pertinent documentation including a schedule of general and
8 administrative costs, and all management and accountants opinion letters. Un-audited
9 financial statements will suffice if audited statements are not routinely generated. If the
10 financial statements provided are not for the fiscal year immediately preceding the
11 calendar year in which the current financing approval application is docketed, indicate
12 when the more recent financial statements are expected to be available and provide them
13 as soon as they become available.

14 **Response 1.1** - See Exhibit 1.1 (Company’s most-recent annual report).

15 **1.2** – Provide the name and address of the lender or debt placement agent, and the
16 expected terms of the planned financing, including but not limited to, loan amount,
17 inception date, maturity date, interest rate (for variable interest rates state the basis upon
18 which the rate is dependent and the time interval or frequency the changes are
19 implemented), numerical covenants such as debt service coverage (“DSC”), times interest
20 earned coverage (“TIER”), cash coverage ratio (“CCR”), equity-to-total capital ratio, etc.
21 For amortizing loans, provide an amortization schedule showing the scheduled payments
22 for principal and interest for the full duration of the loan.

23 **Response 1.2.1** - The lender is WIFA, and the contact information is set forth below:

24 Water Infrastructure Finance Authority
25 Attn: Angie Valenzuela
26 100 North 15th Avenue, Suite 103
27 Phoenix, Arizona 85007
28 (ph) 602-364-1310
(fax) 602-364-1327

1 **Response 1.2.2** - If the Commission authorizes the proposed debt, the Company will
2 request that WIFA lend the Company \$248,944 at a fixed rate of approximately 5.25%
3 for a 20-year term. Consistent with industry practice, WIFA cannot offer the actual
4 finance terms until the Commission authorizes water providers like the Company to incur
5 debt. To assist in the loan analysis, a copy of the proposed loan agreement is set forth in
6 Attachment B.

7 **Response 1.2.3** - Regarding the numerical covenants, the Debt Service Coverage
8 requirement is 1.20.

9 **Response 1.2.4** – The amortization schedule will be developed following Commission
10 approval of the loan.

11
12 **1.3** – Provide an explanation of the proposed use of the financing proceeds. If the
13 proceeds of the financing are for funding multiple projects/uses or a construction work
14 plan (“CWP”), provide a detailed list of the projects/uses or a copy of the CWP and the
15 associated cost and the expected funding dates for each. Also provide a copy of any
16 independent external engineering review of the CWP.

17 **Response 1.3** - *See* Opinion of Probable Cost set forth in Exhibit 1.3.

18
19 **1.4** – If interim funding is to be utilized for the projects in the CWP, identify the source
20 of all elements of this expected interim funding and when the interim funding is expected
21 to be retired and replaced with permanent funding from this new financing arrangement.

22 **Response 1.4** - Not applicable.

23
24 **1.5** – Provide the balances, if any, of “Advances in Aid of Construction” and
25 “Contributions in Aid of Construction,” as of the end of the Company’s most recent fiscal
26 year.

27 **Response 1.5** – *See* Exhibit 1.1 (Company’s most-recent annual report).

28

1 **1.6** – Provide proof of notice of this matter duly published within newspapers of general
2 circulation within the Company’s service territory, as specified in the finance application
3 form at <http://www.azcc.gov/divisions/utilities/forms.asp>. Identify any other method
4 (e.g., direct mail) used to provide customer notice of the financing application, provide a
5 copy of the notice and specify the date the notice was provided to customers and provide
6 an affidavit attesting to the provision of the supplemental or alternate notice method.

7 **Response 1.6** – The Company will provide public notice in a timely fashion in the form
8 prescribed by the Commission. *See Exhibit 1.6.* However, the public notice requires
9 information, such as a docket number, that can only be determined after the financing
10 application is filed, so the notice will necessarily be late filed.

11
12 **1.7** – Provide the number of customers currently served by rate class, and a brief
13 description of each class of customers (residential, commercial, etc.).

14 **Response 1.7-** *See Exhibit 1.1 (Company’s most recent annual report).*

15
16 **1.8** – Provide a schedule detailing all financing approvals obtained by the Arizona
17 Corporation Commission (“Commission”) that remain in effect and indicate docket
18 numbers, amounts approved, amounts drawn and any balances not yet drawn. For any
19 balances not yet drawn, provide an explanation of why the funds have not been drawn
20 and how the Company intends to utilize this currently available borrowing capacity.

21 **Response 1.8** – Currently, the Company has to following loans issued to the Water
22 Division:

23

Loan	Decision No.	Amount Approved	Amount Taken	Current Balance	Maturity Date
WIFA Loan 1	920268-16 Apr 2016	\$350,950	\$350,950	\$350,950	Apr 2036

24
25
26
27

28 **1.9** – If not clearly identified with the financial statements and footnotes of the financial

1 statements provided in response to 1.1, provide a complete list of all long-term debt
2 obligations (including capital leases). For each obligation provide: the lender's name and
3 contact information, the initial loan amount, the current outstanding (unpaid) balance, the
4 inception date, the maturity date(s), the annual interest rate (for variable interest rates
5 state the basis upon which the rate is dependent and the time interval or frequency the
6 changes are implemented), the numerical covenants such as DSC, TIER, CCR, equity-to-
7 total capital ratio, etc. For amortizing loans, provide and amortization schedule showing
8 the scheduled payments for principal and interest. Also, provide any other information
9 pertinent for gaining an essential understanding of the Company's debt obligations.

10 **Response 1.9** – The Company's debt obligations are noted in Response 1.8.

11
12 **1.10** – If any of the proceeds from the newly proposed debt will be used to retire existing
13 long-term or short-term debt, identify the specific loans, amounts and anticipated dates
14 for the refunding.

15 **Response 1.10** – The Company does not intend to refinance any loans.

16
17 **1.11** – Provide a certificate of resolution from the board of directors authorizing the filing
18 of this application.

19 **Response 1.11** – *See* Attachment 1.11.

20
21 **1.12** – Provide financial information projecting the Company's estimated financial
22 performance (cash flows, operating income) for each of the next five years, identifying
23 all significant assumptions (e.g., rate increases, customer/sales grow, inflation, etc.)

24 **Response 1.12** – The Company is providing pro forma balance sheet, income statement,
25 tax calculations, and a depreciation expense schedule set forth in Exhibit 1.12. The
26 Company anticipates that this loan will be repaid through a surcharge mechanism, which
27 is calculated in Exhibit 1.12 as well. The Company believes the projections will remain
28 the same for five years.

1
2 **1.13** – If the Company has a revolving line-of-credit facility (“LOC”), provide the
3 following: the execution date, the termination date, the maximum borrowing capacity, the
4 balance for each of the most recent 12 months, the name of the lender, the basis and term
5 for the interest rate charged (e.g., LIBOR plus 2.0 percent), a detailed explanation of any
6 fees other than interest (e.g., a commitment fee) and an explanation of any changes the
7 Company anticipates to the line-of-credit during the next five years.

8 **Response 1.13** - Not applicable.

9
10 **1.14** – If applicable, provide the Company’s most recent credit agency(ies) financial
11 review(s).

12 **Response 1.14** – The Company does not possess this information.

13
14 **1.15** – Provide the Commission decision number and date for the Company’s most recent
15 general rate case and state the date of the test year end used in that rate case.

16 **Response 1.15** – Decision No. 74835 (Nov. 14, 2014) (Test Year ending Jun. 30, 2011).

17
18 **1.16** – Identify any additional financing authorizations the Company contemplates
19 seeking from the Commission in the next five years.

20 **Response 1.16** – None.

21
22 **1.17** – For a financing application by an electric provider in which the funds will be used
23 for projects in a CWP that has not been previously reviewed by the Commission, provide
24 the following information in the spreadsheet provided.....

25 **Response 1.17** – Not Applicable.

26
27
28

EXHIBIT 1.1

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

W-02168A

Truxton Canyon Water Company
7313 E. Concho Dr., Ste. B
Kingman, AZ 86401

Please click here if pre-printed Company name on this form is not your current Company name or dba name is not included.

Please list current Company name including dba here:

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2015
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FOR COMMISSION USE

ANN 04	15
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COMPANY INFORMATION

Company Name (Business Name) <u>Truxton Canyon Water Company</u>		
Mailing Address <u>3001 Westwood Drive</u> <small>(Street)</small>		
<u>Las Vegas</u> <small>(City)</small>	<u>NV</u> <small>(State)</small>	<u>89117</u> <small>(Zip)</small>
<u>702-256-4006</u> <small>Telephone No. (Include Area Code)</small>	<u>702-25-2522</u> <small>Fax No. (Include Area Code)</small>	 <small>Cell No. (Include Area Code)</small>
Email Address <u>Rick@truxtoncanyonwater.com</u>		
Local Office Mailing Address <u>7313 E. Concho Drive Suite B</u> <small>(Street)</small>		
<u>Kingman</u> <small>(City)</small>	<u>AZ</u> <small>(State)</small>	<u>86401</u> <small>(Zip)</small>
<u>928-757-2205</u> <small>Local Customer Service Phone No. (Include Area Code)</small>	 <small>(1-800 or other long distance Customer Service Phone No.)</small>	
Email Address <u>lynn@truxtonwatercompany.com</u>		Website address _____

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:		
<input type="checkbox"/> Management Contact: <u>Rick Neal</u> <u>Manager</u> <small>(Name) (Title)</small>		
<u>3001 Westwood Drive</u> <small>(Street)</small>	<u>Las Vegas</u> <small>(City)</small>	<u>NV</u> <u>89019</u> <small>(State) (Zip)</small>
<u>702-256-4006</u> <small>Telephone No. (Include Area Code)</small>	<u>702-256-2522</u> <small>Fax No. (Include Area Code)</small>	 <small>Cell No. (Include Area Code)</small>
Email Address <u>rick@truxtoncanyonwater.com</u>		
On Site Manager: <u>Mike Neal</u> <small>(Name)</small>		
<u>7313 E. Concho Suite B</u> <small>(Street)</small>	<u>Kingman</u> <small>(City)</small>	<u>AZ</u> <u>86401</u> <small>(State) (Zip)</small>
<u>928-757-2205</u> <small>Telephone No. (Include Area Code)</small>	 <small>Fax No. (Include Area Code)</small>	 <small>Cell No. (Include Area Code)</small>
Email Address <u>mike@truxtoncanyonwater.com</u>		

Statutory Agent: Mike Neal

(Name)

7313 E Concho Drive Suite B Kingman AZ 86401
(Street) (City) (State) (Zip)

928-757-2205
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Steve Wene

(Name)

1850 N. Central Ave. Suite 1100 Phoenix AZ 85004
(Street) (City) (State) (Zip)

602-604-2141
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address swene@law-msh.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

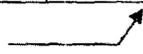
Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME **Truxton Canyon Water Company**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	20		20
304	Structures and Improvements	159	159	0
305	Collecting & Impounding Reservoirs			
306	Lake, River, Canal Intakes			
307	Wells and Springs	19,791	19,791	0
308	Infiltration Galleries			
309	Raw Water Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment	11,462	11,462	0
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
320.3	Point-of-Use Treatment Devices			
320.4	Arsenic Media			
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	865,257	384,418	480,830
333	Services	64,236	64,236	0
334	Meters and Meter Installations	206,069	141,206	64,863
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	406	406	0
340	Office Furniture and Equipment			
340.1	Computers & Software			
341	Transportation Equipment			
342	Stores Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,167,400	621,678	545,722



*This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Truxton Canyon Water Company

WATER UTILITY CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 x 2)
301	Organization			
302	Franchises			
303	Land and Land Rights	20	N/A	-
304	Structures and Improvements	159	3.33%	-
305	Collecting & Impounding Reservoirs			
306	Lake, River, Canal Intakes			
307	Wells and Springs	19,791	3.33%	-
308	Infiltration Galleries			
309	Raw Water Supply Mains			
310	Power Generation Equipment			
311	Pumping Equipment	11,462	12.50%	-
320	Water Treatment Equipment			
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
320.3	Point-of-Use Treatment Devices			
320.4	Arsenic Media			
330	Distribution Reservoirs and Standpipes			
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	865,257	2.00%	17,305
333	Services	64,236	3.33%	-
334	Meters and Meter Installations	206,069	8.33%	17,166
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	406	6.67%	
340	Office Furniture and Equipment			
340.1	Computers & Software			
341	Transportation Equipment			
342	Stores Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	SUBTOTAL			
	LESS CIAC Amortization			
	TOTALS *	1,167,400		34,471

*This amount goes on the Comparative Statement of Income and Expense Acct. No. 403 _____ ↗

WATER UTILITY BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 3,213.88	\$ 19,200.65
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	\$41,978	\$29,050
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	13,368	7513
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 58,479.88	\$55,763,65
	FIXED ASSETS		
101	Utility Plant in Service	\$1,167,400.07	\$1,167,400.07
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	-540,356.88	\$606,079.65
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$627,243.19	\$561,320.42
	TOTAL ASSETS	\$685,723.07	\$617,084.07

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

WATER UTILITY BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 32,400	\$22,850
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	455,825	455,825
235	Customer Deposits		
236	Accrued Taxes	-796.83	-1940.95
237	Accrued Interest	64,935.97	43,094.66
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$552,364.14	\$519,828.71
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 882,678.36	\$882,678.36
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	63,429	63,429
272	Less: Amortization of Contributions	-63,429	-63,429
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$946,043.93	\$882,678.36
	TOTAL LIABILITIES	\$1,498,408.07	\$1,402,507.07
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 11,000	\$ 11,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	-823,685	-796,423
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$-812,685	\$-785,423
	TOTAL LIABILITIES AND CAPITAL	\$685,723.07	\$617,084.07

WATER UTILITY COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 549,886	\$ 404,771.87
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 549,886	\$ 404,771.87
	OPERATING EXPENSES		
601	Salaries and Wages	\$122,742	\$136,110.31
610	Purchased Water	183,260	
615	Purchased Power	101,314	54,535.63
618	Chemicals	523	515,04
620	Repairs and Maintenance	23,012	34,003.44
621	Office Supplies and Expense	15,307	21,479.41
630	Outside Services	82,750	60,942.30
635	Water Testing	1080	2,680
641	Rents	5,678	7,423.49
650	Transportation Expenses	32,584	43,821.71
657	Insurance – General Liability	8,654	10,059.62
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	4,387	36,565
675	Miscellaneous Expense		
403	Depreciation Expense	34,471	34,471
408	Taxes Other Than Income	44,037	36,250
408.11	Property Taxes	23,562	16,362.06
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$683,361	\$495,219.01
	OPERATING INCOME/(LOSS)	\$-133,475	\$-90,447.14
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$0	\$
	NET INCOME/(LOSS)	\$-(133,475)	\$-(90,447,14)

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME Truxton Canyon Water Company	
Name of System:	ADEQ Public Water System Number: 08035

WATER UTILITY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
SS-624983	3HD	Not in use	300	12	1	1944
SS-624989	capped	N/A	260	16	N/A	1944

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		12	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000 gallons	1		
22,000 gallons	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Truxton Canyon Water Company	
Name of System:	ADEQ Public Water System Number: 08035

WATER UTILITY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	89,00
5		
6	PVC	57,880
8	PVC	1,660
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	944
3/4	
1	4
1 1/2	
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	2
Bulk	2

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

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: **Truxton Canyon Water Company**

Name of System: _____ ADEQ Public Water System Number: **08035**

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2015

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	958	4,314,312		4,314,312
FEBRUARY	958	6,641,527		6,641,527
MARCH	957	7,849,259		7,849,259
APRIL	962	24,889,769		24,889,769
MAY	965	34,122,788		34,122,788
JUNE	965	25,258,302		25,258,302
JULY	962	25,143,863		25,143,863
AUGUST	968	25,045,863		25,045,863
SEPTEMBER	963	25,752,000		25,752,000
OCTOBER	961	22,752,000		22,752,000
NOVEMBER	960	9,512,651		9,512,651
DECEMBER	963	8,041,537		8,041,537
TOTALS →		219,143		219,143

What is the level of arsenic for each well on your system? .012 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

Yes No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

Yes No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Truxton Canyon Water Company

Name of System:

ADEQ Public Water System Number: 08035

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		0	
FEBRUARY		0	
MARCH		1	
APRIL		0	
MAY		0	
JUNE		0	
JULY		3	
AUGUST		0	
SEPTEMBER		5	
OCTOBER		2	
NOVEMBER		1	
DECEMBER		0	
TOTALS →		12	

OTHER (description):

COMPANY NAME _____ YEAR ENDING 12/31/2015

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2015 was: \$ 0 _____

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why- No Funds Available _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
NAME (OWNER OR OFFICIAL) TITLE
COMPANY NAME

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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 OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS DAY OF

COUNTY NAME	
MONTH	.20__

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF NV
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>CLARK</u>
NAME (OWNER OR OFFICIAL) TITLE <u>TERESA NEAL - OFFICE MANAGER</u>
COMPANY NAME <u>TRUSTED CANYON WATER COMPANY</u>

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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.

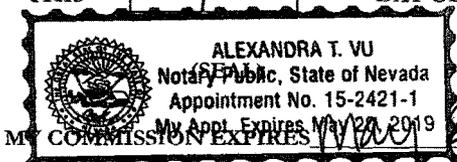
Teresa Neal
SIGNATURE OF OWNER OR OFFICIAL
702-256-4004
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 9 DAY OF

COUNTY NAME <u>Clark</u>
MONTH <u>May June 2016</u>



Alexandra Vu
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF NV
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>CLARK</u>
NAME (OWNER OR OFFICIAL) TITLE <u>TERESA NEAL - OFFICE MANAGER</u>
COMPANY NAME <u>TRUCKEE CANYON WATER COMPANY</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2015

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 REQUIREMENT 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 CALENDAR YEAR 2015 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ <u>404,771.87</u>

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 35,447.01 IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

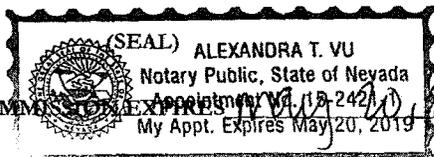
Teresa Neal
SIGNATURE OF OWNER OR OFFICIAL
767-852-4000
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 9 DAY OF

COUNTY NAME <u>Clark</u>
MONTH <u>June</u> <u>2016</u>



Alexandra T. Vu
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <i>Clark</i>	
NAME (OWNER OR OFFICIAL) <i>TERESA NEAL</i>	TITLE <i>OFFICE MANAGER</i>
COMPANY NAME <i>TRUCKER (CAN YOU) WATER CAN PAUL</i>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<i>12</i>	<i>31</i>	<i>2015</i>

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 40-401.01, 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 CALENDAR YEAR 2015 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES <i>\$ 292,643.90</i>

THE AMOUNT IN BOX AT LEFT INCLUDES \$ *35,447.01* IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

Teresa Neal

SIGNATURE OF OWNER OR OFFICIAL

702-256-4006

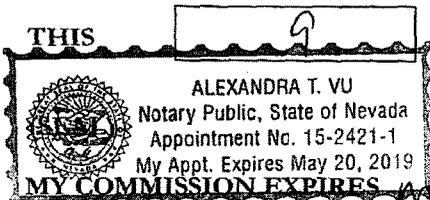
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS *9* DAY OF

NOTARY PUBLIC NAME <i>Alexandra Vu</i>	
COUNTY NAME <i>Clark</i>	
MONTH <i>June</i>	<i>2015</i>



May 20, 2015

Alexandra Vu

SIGNATURE OF NOTARY PUBLIC

EXHIBIT 1.3

Truxton Canyon Water Company, Inc.

Opinion of Probable Cost

Hualapai 1 Well Conversion

Item #	Description	Cost
1	New well and motor	\$80,044
2	Used generator	\$35,000
3	Permanent power	\$150,000
4	New fencing	\$5,000
5	Onsite electrical	\$9,200
6	Piping onsite	\$4,700
	TOTAL	\$248,944

EXHIBIT 1.6

**PUBLIC NOTICE OF TRUXTON CANYON WATER COMPANY'S
FINANCING APPLICATION
DOCKET NO. W-02168A-16-_____**

On September 23, 2016, ("Company" or "Applicant") Truxton Canyon Water Company, Inc. filed an Application with the Arizona Corporation Commission ("Commission") for an order authorizing Applicant to issue \$248,944 of debt. The purpose of the financing is to improve the water storage tanks as well as install new meters and valves. The Commission may approve, disapprove, or approve the financing request with modifications. The Commission may act on the financing request with or without a hearing.

How to View the Application and other Filings

Copies of the application are available from the Company at Southwestern Utility Management office located at 2015 N. Forbes Blvd., Ste. 107 Tucson, Arizona 85745 and for inspection during regular business hours at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, AZ 85007. All filings in this matter are also available via the Commission's website (www.azcc.gov) using the e-Docket function and Docket No. W-02168A-16-_____.

How Interested Persons May Participate

An interested person may participate in this matter by (1) providing written public comment, or (2) filing for intervention and becoming a formal party to the proceeding. Written public comments must refer to Docket No. W-02168A-16-_____ and may be submitted at any time as follows:

By Mail: Arizona Corporation Commission
 Consumer Services Section
 1200 West Washington Street
 Phoenix, AZ 85007

On the Website: www.azcc.gov using the link "Submit a Public Comment".

Anyone requiring assistance may contact the Consumer Services Section at 1-800-222-7000 or 602-542-4251.

About Intervention

Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. Intervention entitles a person to participate as a party and if a hearing is held, to present sworn testimony and evidence and cross-examine witnesses. Persons who do not intervene will receive no further notice of the proceedings in this docket. The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that the person requesting intervention must file an original and 13 copies of a written motion to intervene with the Commission's Docket Control Center on or before **October 3, 2016**, and must send a copy of the motion to Truxton or

its counsel. Contact information for the Applicant and other parties is available using the eDocket function and Docket No. W-02168A-16-_____.

Each motion to intervene must include the Docket Number and contain the following:

1. The name, address, and telephone number of the person requesting intervention and of any person upon whom service of documents is to be made, if not the same person;
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of the Applicant, a member or shareholder of the Applicant, etc);
3. Whether the proposed intervenor desires a formal evidentiary hearing on the application and the reasons for such a hearing;
4. A statement certifying that a copy of the motion to intervene has been mailed to the Applicant or its counsel and to all parties of record in the case; and
5. Information and any appropriate documentation demonstrating compliance with Arizona Supreme Court Rules 31, 38, and 42, as applicable, unless the proposed intervenor is an individual representing himself or herself, or is represented by an attorney who is an active member of the Arizona State Bar.

A sample intervention request for is available at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its proceedings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, and may request this document in an alternative format, by contacting ADA Coordinator Shaylin Bernal, at SBernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

EXHIBIT 1.11

RESOLUTION NO. 2016-1
RESOLUTION OF THE TRUXTON CANYON WATER COMPANY, INC.
AUTHORIZING THE FINANCING APPLICATION

Recitals

- A. Truxton Canyon Water Company, Inc. ("Company") is a public service corporation and duly organized and existing under the laws of the State of Arizona for the primary purpose of providing utility service to real property within the Company's service area as well as other purposes provided by law.
- B. The Company has the authority to borrow money and to accept financial assistance pursuant to Arizona Corporation Commission ("Commission") rules and orders.
- C. The Company Board of Directors ("Board") has complied with all applicable rules and held a meeting to authorize the filing of finance application with the Commission.

Resolution

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

- 1.0** The Recitals set forth above are incorporated herein.
- 2.0** The Board the Company President or Manager shall certify that at a meeting of the Board was properly and duly called in accordance with applicable law and held on the date designated below at which meeting at least a quorum of said Board was present and those present constituted a legally sufficient number qualified to act and transact matters and the following resolutions were adopted and the same have not been altered, amended or revoked.
- 3.0** The Company is authorized and empowered to file a financing application with the Commission consistent with the documents attached to this Resolution. The Company's Manager is hereby authorized and empowered to act on behalf of the Company and to enter into the loan with a lender under the terms authorized by the Commission.
- 4.0** The Manager is authorized and empowered to execute on behalf of, and in the name of, the Company from time to time documents as may be required to secure the approval of the financing application or other documents which Manager may deem expedient in carrying out the intents and purposes of the Resolutions set forth herein.

PASSED and APPROVED this 15 day of August, 2016.



B. Marc Neal, President

CERTIFICATION



Rick Neal, Manager

EXHIBIT 1.12

Truxton Canyon Water Company, Inc.
Balance Sheet as of 12/31/15
Includes Proforma Adjustments for Financing

Acct. No.	ASSETS	Year End Balance @ 12/31/2015	Loan Proforma Adjustments	Year End 12/31/15 Adjusted for Loan
Current and Accrued Assets				
131	Cash	\$ 19,201		\$ 19,201
134	Working Funds			
135	Temporary Cash Investments			-
141	Customer Accounts Receivable	29,050		29,050
146	Notes/Receivables from Assoc Co			-
151	Plant Material and Supplies			-
162	Prepayments	7,513		7,513
174	Misc Current and Accrued Assets			-
	Total Current and Accrued Assets	\$ 55,764	\$ -	\$ 55,764
Fixed Assets				
101	Utility Plant in Service	\$ 1,167,400	\$ 283,944	\$ 1,451,344
103	Property Held for Future Use			
105	Construction Work In Progress			
108	Accumulated Depreciation - Utility Plant	(656,149)		(656,149)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets	\$ 511,251	\$ 283,944	\$ 795,195
	TOTAL ASSETS	\$ 567,015	\$ 283,944	\$ 850,959

Truxton Canyon Water Company, Inc.
Balance Sheet as of 12/31/2015 (continued)
Includes Proforma Adjustments for Financing

Acct. No.	LIABILITIES	Year End Balance @ 12/31/2015	Loan Proforma Adjustments	Year End 12/31/15 Adjusted for Loan
Current Liabilities				
231	Accounts Payable	\$ 22,850		\$ 22,850
232	Notes Payable (Current Portion)			-
234	Notes/Accounts Payable to Assoc Co	455,825		455,825
235	Customer Deposits			-
236	Accrued Taxes	(1,941)		(1,941)
237	Accrued Interest	43,095		43,095
241	Misc Current and Accrued Liabilities			-
	Total Current Liabilities	\$ 519,829	\$ -	\$ 519,829
LONG-TERM DEBT (Over 12 Months)				
224	Long-Term Notes and Bonds	\$ -	\$ 283,944	\$ 283,944
Deferred Credits				
251	Unamortized Premium on Debt			
252.1	Advances in Aid of Construction	\$ 882,678		\$ 882,678
252.2	Meter Deposits			-
255	Accum Def Investment Tax Credits			-
271	Gross Contrib in Aid of Construction	63,429		63,429
272	Less: Amortization of contributions	(63,429)		(63,429)
281	Accumulated Deferred Income Tax			-
	Total Deferred Credits	\$ 882,678	\$ -	\$ 882,678
	TOTAL LIABILITIES	\$ 1,402,507	\$ 283,944	\$ 1,686,451
CAPITAL ACCOUNTS				
201	Common Stock Issued	\$ 11,000		\$ 11,000
211	Paid in Capital in Excess of Par Value			-
215	Retained Earnings	(846,492)		(846,492)
218	Proprietary Capital			-
	TOTAL CAPITAL	\$ (835,492)	\$ -	\$ (835,492)
	TOTAL LIABILITIES AND CAPITAL	\$ 567,015	\$ 283,944	\$ 850,959

Truxton Canyon Water Company, Inc.
Income Statement for 2015
Includes Proforma Adjustments For Financing

Acct No.	Description	Actual for Year Ended 12/31/15	Loan Proforma Adjustments	Proposed With Loan Adjustment
461	Metered Water Revenue	\$ 404,772		\$ 404,772
461.1	Surcharge Revenue	-	\$ 23,658	23,658
474	Other Water Revenues			-
	TOTAL OPERATING REVENUES	\$ 404,772	\$ 23,658	\$ 428,430
	OPERATING EXPENSES			
601	Salaries and Wages	\$ 136,110	\$ -	\$ 136,110
610	Purchased Water	-		-
615	Purchased Power	54,536		54,536
618	Chemicals	515		515
620	Repairs and Maintenance	34,003		34,003
621	Office Supplies and Expense	21,479		21,479
630	Outside Services	60,942		60,942
635	Water Testing	2,680		2,680
641	Rents	7,424		7,424
650	Transportation Expenses	43,822		43,822
657	Insurance - General Liability	10,060		10,060
666	Rate Case Expense	36,565		36,565
670	Bad Debt Expense	-		-
675	Miscellaneous Expense			-
403	Depreciation Expense	34,471	12,698	47,169
408	Taxes Other Than Income	36,250		36,250
408.11	Property Taxes	16,362		16,362
409	Income Tax	-		-
427.1	Interest on Customer Deposits	-		-
	TOTAL OPERATING EXPENSES	\$ 495,219	\$ 12,698	\$ 507,917
	OPERATING INCOME/(LOSS)	\$ (90,447)	\$ 10,960	\$ (79,487)
	OTHER INCOME/(EXPENSE)			
419	Interest and Dividend Income	\$ -	\$ -	\$ -
421	Non-Utility Income			-
426	Miscellaneous Non-Utility Expenses			
427	Interest Expense		(12,278)	(12,278)
	TOTAL OTHER INCOME/(EXPENSE)	\$ -	\$ (12,278)	\$ (12,278)
	NET INCOME/(LOSS)	\$ (90,447)	\$ (1,318)	\$ (91,765)
			Net Income	\$ (91,765)
			Plus Depreciation Expense	47,169
			Less Principal for Loan	(7,437)
			Less Reserve for Loan	(3,943)
			Cash Flow	\$ (55,976)

Truxton Canyon Water Company, Inc.
Utility Plant in Service and Depreciation Expense

Acct. No.	Description	Original Cost @ Year End 12/31/15	Loan Proforma Adjustments	Year Including Loan Adjustments	Proposed Depreciation Rates	Fully or Non Depreciable Plant	Proposed Depreciation Expense	
301	Organization							
302	Franchises							
303	Land and Land Rights	20		20		20		
304	Structures and Improvements	159	5,000	5,159	3.3300%	159	167	
307	Wells and Springs	19,791	84,744	104,535	3.3300%	19,791	2,822	
310	Power Generation Equipment	-	194,200	194,200	5.0000%	-	9,710	
311	Electric Pumping Equipment	11,462		11,462	12.5000%	11,462		
320	Water Treatment Equipment							
320.1	Water Treatment Plants				3.3300%			
320.2	Solution Chemical Feeders				20.0000%			
330	Distrib Reservoirs/Standpipes							
330.1	Storage Tanks				2.2200%			
330.2	Pressure Tanks				5.0000%			
331	Transmission and Distrib Mains	865,257		865,257	2.0000%		17,305	
333	Services	64,236		64,236	3.3300%	64,236		
334	Meters	206,069		206,069	8.3300%		17,166	
335	Hydrants				2.0000%			
336	Backflow Prevention Devices				6.6700%			
339	Other Plant & Misc Equipment	406		406	6.6700%	406		
340	Office Furniture and Equip				6.6700%			
340.1	Computers & Software				20.0000%			
341	Transportation Equipment				20.0000%			
343	Tools, Shop & Garage Equip.				5.0000%			
344	Laboratory Equipment				10.0000%			
345	Power Operated Equipment				5.0000%			
346	Communications Equipment				10.0000%			
347	Miscellaneous Equipment				10.0000%			
348	Other Tangible Plant				5.0000%			
TOTALS		\$ 1,167,400	\$ 283,944	\$ 1,451,344		\$ 96,074	\$ 47,169	
							Amortization of CIAC	
							Total Depreciation Expense	\$ 47,169

Truxton Canyon Water Company, Inc. Financing Summary

	Projected Cost	Plant Acct #	Total
Hualapai 1 Well Conversion			
New fencing	\$ 5,000	304	\$ 5,000
New well and motor	80,044	307	
Piping onsite	4,700	307	84,744
Used generator	35,000	310	
Permanent power	150,000	310	
Onsite electrical	9,200	310	194,200
Total Project Costs	\$ 283,944		\$ 283,944

Truxton Canyon Water Company, Inc.
SUMMARY OF PROPOSED WIFA FINANCING

	FINANCED AMOUNT	ESTIMATED TERM IN YEARS	ESTIMATED INTEREST RATE	MONTHLY PAYMENT
Loan principal	\$ 248,944	20	5.0000%	\$ 1,643
Reserve amount ¹				329
Number of Months in Year				12
Annual Cash Needed				<u>\$ 23,658</u>
Annual Amount of Interest				\$ 12,278
Annual Amount of Principal				7,437
Annual Reserve				3,943
Annual Surcharge Needed				<u>\$ 23,658</u>

Truxton Canyon Water Company, Inc.
Company Calculation of Surcharge Amount for Proposed Loan

Line	Amount		
1	Annual Interest	\$ 12,278	
2	Annual Principal	7,437	
3	Reserve	3,943	
4	Total Annual Loan Payments	<u>\$ 23,658</u>	
5	Annual Surcharge Necessary		\$ 23,658
6	Surcharge Calculation per Customer:		
7	Number of 5/8 x 3/4-inch Customers		
8	Months in Year	<u>12</u>	
9	Annual Bills		-
10	Number of 3/4-inch Customers		
11	Months in Year	<u>12</u>	
12	Annual Bills	11,436	
13	Meter Multiplier	<u>1.5</u>	
14	Annual Equivalent Bills		17,154
15	Number of 1-inch Customers		
16	Months in Year	<u>12</u>	
17	Annual Bills	48	
18	Meter Multiplier	<u>2.5</u>	
19	Annual Equivalent Bills		120
20	Number of 2-inch Customers		
21	Months in Year	<u>12</u>	
22	Annual Bills	24	
23	Meter Multiplier	<u>8</u>	
24	Annual Equivalent Bills		<u>192</u>
25	Number of 6-inch Customers		
26	Months in Year	<u>12</u>	
27	Annual Bills	24	
28	Meter Multiplier	<u>50</u>	
29	Annual Equivalent Bills		<u>1,200</u>
30	Total Annual Equivalent Bills		18,666

31	5/8 x 3/4-inch Surcharge Amount per Month	\$ 1.27	(Line 5 / Line 30)
32	3/4-inch Surcharge Amount per Month	1.90	(Line 31 times 1.5 MM) ¹
33	1-inch Surcharge Amount per Month	3.17	(Line 31 times 2.5 MM)
34	2-inch Surcharge Amount per Month	10.14	(Line 31 times 8 MM)
35	6-inch Surcharge Amount per Month	63.37	(Line 31 times 50 MM)

Line	Revenue Check:	Surcharge	Annual Bills	Total
37	5/8 x 3/4-inch meters	\$ 1.27	-	\$ -
38	3/4-inch meters	1.90	11,436	21,742
39	1-inch meters	3.17	48	152
40	2-inch meters	10.14	24	243
41	6-inch meters	63.37	24	1,521
42	Totals		<u>11,532</u>	<u>\$ 23,658</u>

43 ¹ MM = AWWA Meter Multiplier