

**ORIGINAL**

**NEW APPLICATION**



0000176304

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

RECEIVED  
AZ CORP COMMISSION  
DOCKET CONTROL  
2017 JAN 13 P 2 10

**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

9 TOM FORESE - CHAIRMAN  
10 BOB STUMP  
11 BOB BURNS  
12 ANDY TOBIN  
13 BOYD DUNN

Arizona Corporation Commission

**DOCKETED**

JAN 13 2017

DOCKETED BY

W-02168A-17-0015

14 **IN THE MATTER OF THE**  
15 **APPLICATION OF TRUXTON CANYON**  
16 **WATER COMPANY, INC., FOR**  
17 **EMERGENCY RATE SURCHARGE**

DOCKET NO. W-02168A-17-

**EMERGENCY RATE  
SURCHARGE  
APPLICATION**

18 Truxton Canyon Water Company, Inc. ("Truxton" or "Company") hereby files this  
19 Emergency Rate Surcharge Application ("Application").

**SUBSTANTIVE APPLICATION REQUIREMENTS**

**1. Conditions Constitute an Emergency**

23 An emergency rate application is warranted when a utility company undergoes a  
24 sudden hardship, becomes insolvent, or its ability to maintain service pending a  
25 permanent rate determination is in serious doubt.  
26

27 As the Commission and Staff are well aware, in the summer months, Truxton  
28 relies heavily upon two very old diesel engines to pump water to meet the local golf

1 course water demand during the summer months. These engines are more than 50 years  
2 old and parts are no longer available. Somehow, the Company was able to extend the life  
3 of these engines through the summer of 2016, but this will not be possible this coming  
4 season. Therefore, the Company has submitted a financing application with the  
5 Commission seeking to borrow \$248,944 to install electric motors, purchase electric  
6 generators, and extend power lines to the well site. Truxton believes that unless the  
7 diesel engines are replaced with electric power, it will not be able to meet the golf course  
8 water demand this summer.  
9  
10

11 Staff has reviewed the financing application and has informed Truxton that the  
12 Company does not generate enough revenue to pay for the proposed loan. Truxton  
13 agrees with Staff. Therefore, the Company is filing this Application to implement a  
14 surcharge to service the proposed debt.  
15  
16

17 **2. Requested Amount of Emergency Funds**

18 Truxton believes \$23,658 per year will be necessary to pay the debt service,  
19 reserve, and other costs associated with the loan and surcharge. See Attachment 1.  
20

21 **3. Emergency Rate Charge to Customers**

22 The Company believes the typical residential customer using a 5/8 x 3/4 inch meter  
23 will pay a monthly surcharge of \$1.27.  
24

25 **4. Mechanism to Recover the Emergency Funds**

26 Truxton believes a temporary surcharge should be set until the Company  
27 undergoes a permanent rate case.  
28

**5. Description of System Repairs**

1 Again, Truxton is converting the pumping equipment from diesel to electric  
2 power. The Company will purchase one electric motor. The Company also will need to  
3 have power lines extended to the well site and purchase an electric generator to serve as a  
4 backup power supply. The Company has also proposed purchasing two generators if the  
5 Commission or Staff believes the cost of running a power line to the well site is cost  
6 prohibitive. A description of the work is set forth in Truxton's Finance Application,  
7  
8 Docket No. W-02168A-16-0361. See Attachment 2.

10 **6. Repair Estimate**

11 The Company's project estimate is set forth in Attachment 2.

13 **7. Certification of Mailing**

14 Pursuant to the public notice requirement in the Application form, the Company  
15 must provide the public with the docket number assigned to this application. However,  
16 the docket number is not known until after the Application is filed. Therefore, once the  
17 Company files the Application and receives a docket number, it will mail the customer  
18 notice to its customers and certify that mailing has occurred.  
19  
20

21 **8. Notice of the Application to Customers**

22 See Attachment 3.

23 **ADMINISTRATIVE INFORMATION**

24  
25 **9. Applicant's Name and Address.**

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

1 **10. 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

8 **REQUEST FOR APPROVAL**

9 As set forth in this Application, the Company requests that the Commission  
10 authorize the emergency surcharge as described herein.

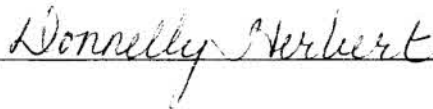
11 DATED this 13<sup>th</sup> day of January, 2017.

12 **MOYES SELLERS & HENDRICKS LTD.**

13  
14  
15   
16 \_\_\_\_\_  
17 Steve Wene

18 **Original and 13 copies** filed this  
19 13<sup>th</sup> day of January, 2017, with:

20 Docket Control  
21 Arizona Corporation Commission  
22 1200 West Washington  
23 Phoenix, Arizona 85007

24  
25   
26 \_\_\_\_\_  
27  
28

# **ATTACHMENT 1**

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

Line	<u>Amount</u>		
1	Annual Interest	\$ 12,278	
2	Annual Principal	7,437	
3	Reserve	3,943	
4	Total Annual Loan Payments	<u>\$ 23,658</u>	
5	<b>Annual Surcharge Necessary</b>		<b>\$ 23,658</b>
6	<b>Surcharge Calculation per Customer:</b>		
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	953	
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	4	
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	2	
21	Months in Year	<u>12</u>	
22	Annual Bills		24
23	Meter Multiplier	<u>8</u>	
24	Annual Equivalent Bills		192
25	Number of 6-inch Customers	2	
26	Months in Year	<u>12</u>	
27	Annual Bills		24
28	Meter Multiplier	<u>50</u>	
29	Annual Equivalent Bills		1,200
30	<b>Total Annual Equivalent Bills</b>		<b>18,666</b>

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

36	<i>Revenue Check:</i>	<u>Surcharge</u>	<u>Annual Bills</u>	<u>Total</u>
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 <sup>1</sup> MM = AWWA Meter Multiplier

# **ATTACHMENT 2**

ORIGINAL NEW APPLICATION



0000173810

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

7 **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

RECEIVED  
AZ CORPORATION COMMISSION  
DOCKET CONTROL  
2016 OCT 05 PM 4: 21

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 authorize the financing described herein.  
4

5 DATED this 5<sup>th</sup> day of October, 2016.

6 **MOYES SELLERS & HENDRICKS LTD.**  
7

8  
9 *Steve Wene*  
10 Steve Wene

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

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

17  
18 *Donnelly Herbert*  
19 Donnelly Herbert

20  
21  
22  
23  
24  
25  
26  
27  
28

# **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 15<sup>th</sup> 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:

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**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

<b>Company Name (Business Name)</b> <u>Truxton Canyon Water Company</u>		
<b>Mailing Address</b> <u>3001 Westwood Drive</u>		
<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>
<b>Email Address</b> <u>Rick@truxtoncanyonwater.com</u>		
<b>Local Office Mailing Address</b> <u>7313 E. Concho Drive Suite B</u>		
<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>	
<b>Email Address</b> <u>lynn@truxtonwatercompany.com</u>		<b>Website address</b> _____

## MANAGEMENT INFORMATION

<input type="checkbox"/> <b>Regulatory Contact:</b>		
<input type="checkbox"/> <b>Management Contact:</b> <u>Rick Neal</u> <u>Manager</u>		
<u>3001 Westwood Drive</u> <small>(Street)</small>	<u>Las Vegas</u> <small>(City)</small>	<u>NV</u> <small>(State)</small> <u>89019</u> <small>(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>
<b>Email Address</b> <u>rick@truxtoncanyonwater.com</u>		
<b>On Site Manager:</b> <u>Mike Neal</u>		
<u>7313 E. Concho 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>Telephone No. (Include Area Code)</small>	 <small>Fax No. (Include Area Code)</small>	 <small>Cell No. (Include Area Code)</small>
<b>Email Address</b> <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			
	<b>TOTALS</b>	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			
	<b>SUBTOTAL</b>			
	<b>LESS CIAC Amortization</b>			
	<b>TOTALS *</b>	<b>1,167,400</b>		<b>34,471</b>

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

**WATER UTILITY BALANCE SHEET**

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
<b>CURRENT AND ACCRUED ASSETS</b>			
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		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 58,479.88</b>	<b>\$55,763.65</b>
<b>FIXED ASSETS</b>			
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		
	<b>TOTAL FIXED ASSETS</b>	<b>\$627,243.19</b>	<b>\$561,320.42</b>
	<b>TOTAL ASSETS</b>	<b>\$685,723.07</b>	<b>\$617,084.07</b>

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
<b>LIABILITIES</b>			
<b>CURRENT LIABILITES</b>			
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		
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$552,364.14</b>	<b>\$519,828.71</b>
<b>LONG-TERM DEBT (Over 12 Months)</b>			
224	Long-Term Notes and Bonds	\$	\$
<b>DEFERRED CREDITS</b>			
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		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$946,043.93</b>	<b>\$882,678.36</b>
	<b>TOTAL LIABILITIES</b>	<b>\$1,498,408.07</b>	<b>\$1,402,507.07</b>
<b>CAPITAL ACCOUNTS</b>			
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)		
	<b>TOTAL CAPITAL</b>	<b>\$-812,685</b>	<b>\$-785,423</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$685,723.07</b>	<b>\$617,084.07</b>

COMPANY NAME **Truxton Canyon Water Company**

**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		
	<b>TOTAL REVENUES</b>	<b>\$ 549,886</b>	<b>\$ 404,771.87</b>
	<b>OPERATING EXPENSES</b>		
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		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$683,361</b>	<b>\$495,219.01</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$-133,475</b>	<b>\$-90,447.14</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$0</b>	<b>\$</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$-(133,475)</b>	<b>\$-(90,447,14)</b>

COMPANY NAME Truxton Canyon Water Company

**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 \$ \_\_\_\_\_

<b>COMPANY NAME</b> Truxton Canyon Water Company	
<b>Name of System:</b>	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:

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STRUCTURES:

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OTHER:

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*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
<b>TOTALS →</b>		<b>219,143</b>		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                      ( X ) No

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

( ) Yes                      ( X ) No

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

( ) Yes                      ( X ) 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.***

<b>COMPANY NAME: Truxton Canyon Water Company</b>	
<b>Name of System:</b>	<b>ADEQ Public Water System Number: 08035</b>

**UTILITY SHUTOFFS / DISCONNECTS**

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

OTHER (description):

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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 \_\_\_\_\_

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**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>TRUSTON 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.

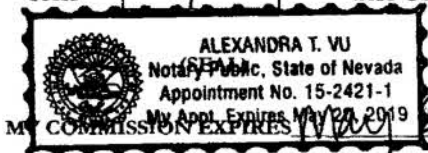
*Teresa Neal*  
SIGNATURE OF OWNER OR OFFICIAL  
702-256-4004  
TELEPHONE NUMBER

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</u> YEAR <u>June 2016</u>



*Alexandra T. 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>TRUXSON CASH/ID UTILTY 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  
702-856-4000  
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> 20 <u>16</u>

(SEAL) ALEXANDRA T. VU  
Notary Public, State of Nevada  
MY COMMISSION EXPIRES 2019  
My Appt. Expires May 20, 2019

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>TREXCO (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
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 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>
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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.

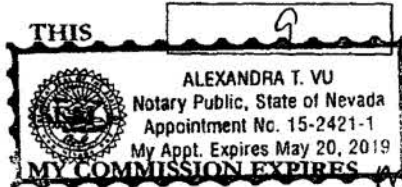
*Teresa Neal*  
SIGNATURE OF OWNER OR OFFICIAL  
  
*702-256-4004*  
TELEPHONE NUMBER

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>.2016</i>



*May 20, 2016*

*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
	<b>TOTAL</b>	<b>\$248,944</b>

# **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](http://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](http://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](mailto: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**

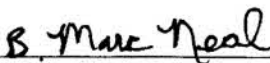
- A. Truxton Canyon Water Company, Inc. ("Company") is a public service corporation and duly organized and existing under the laws of the State of Arizona for the primary purpose of providing utility service to real property within the Company's service area as well as other purposes provided by law.
- 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
<b>Current and Accrued Assets</b>				
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			-
	<b>Total Current and Accrued Assets</b>	<b>\$ 55,764</b>	<b>\$ -</b>	<b>\$ 55,764</b>
<b>Fixed Assets</b>				
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			
	<b>Total Fixed Assets</b>	<b>\$ 511,251</b>	<b>\$ 283,944</b>	<b>\$ 795,195</b>
	<b>TOTAL ASSETS</b>	<b>\$ 567,015</b>	<b>\$ 283,944</b>	<b>\$ 850,959</b>

**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
<b>Current Liabilities</b>				
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			-
	<b>Total Current Liabilities</b>	<b>\$ 519,829</b>	<b>\$ -</b>	<b>\$ 519,829</b>
<b>LONG-TERM DEBT (Over 12 Months)</b>				
224	Long-Term Notes and Bonds	\$ -	\$ 283,944	\$ 283,944
<b>Deferred Credits</b>				
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			-
	<b>Total Deferred Credits</b>	<b>\$ 882,678</b>	<b>\$ -</b>	<b>\$ 882,678</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 1,402,507</b>	<b>\$ 283,944</b>	<b>\$ 1,686,451</b>
<b>CAPITAL ACCOUNTS</b>				
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			-
	<b>TOTAL CAPITAL</b>	<b>\$ (835,492)</b>	<b>\$ -</b>	<b>\$ (835,492)</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 567,015</b>	<b>\$ 283,944</b>	<b>\$ 850,959</b>

**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			-
	<b>TOTAL OPERATING REVENUES</b>	<b>\$ 404,772</b>	<b>\$ 23,658</b>	<b>\$ 428,430</b>
	<b>OPERATING EXPENSES</b>			
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	-		-
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 495,219</b>	<b>\$ 12,698</b>	<b>\$ 507,917</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ (90,447)</b>	<b>\$ 10,960</b>	<b>\$ (79,487)</b>
	<b>OTHER INCOME/(EXPENSE)</b>			
419	Interest and Dividend Income	\$ -	\$ -	\$ -
421	Non-Utility Income			-
426	Miscellaneous Non-Utility Expenses			
427	Interest Expense		(12,278)	(12,278)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ -</b>	<b>\$ (12,278)</b>	<b>\$ (12,278)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (90,447)</b>	<b>\$ (1,318)</b>	<b>\$ (91,765)</b>
			Net Income	\$ (91,765)
			Plus Depreciation Expense	47,169
			Less Principal for Loan	(7,437)
			Less Reserve for Loan	(3,943)
			<b>Cash Flow</b>	<b>\$ (55,976)</b>

**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%		
<b>TOTALS</b>		<b>\$ 1,167,400</b>	<b>\$ 283,944</b>	<b>\$ 1,451,344</b>		<b>\$ 96,074</b>	<b>\$ 47,169</b>
Amortization of CIAC							
Total Depreciation Expense							<b>\$ 47,169</b>



**Truxton Canyon Water Company, Inc. Financing Summary**

	<b>Projected Cost</b>	<b>Plant Acct #</b>	<b>Total</b>
<b>Hualapai 1 Well Conversion</b>			
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
<b>Total Project Costs</b>	<b>\$ 283,944</b>		<b>\$ 283,944</b>

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

	<b>FINANCED AMOUNT</b>	<b>ESTIMATED TERM IN YEARS</b>	<b>ESTIMATED INTEREST RATE</b>	<b>MONTHLY PAYMENT</b>
Loan principal	\$ 248,944	20	5.0000%	\$ 1,643
Reserve amount <sup>1</sup>				329
Number of Months in Year				<u>12</u>
Annual Cash Needed				<u>\$ 23,658</u>
Annual Amount of Interest				\$ 12,278
Annual Amount of Principal				7,437
Annual Reserve				<u>3,943</u>
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	<b>Annual Surcharge Necessary</b>		<b>\$ 23,658</b>
6	<b>Surcharge Calculation per Customer:</b>		
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	953	
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	4	
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	2	
21	Months in Year	<u>12</u>	
22	Annual Bills		24
23	Meter Multiplier		<u>8</u>
24	Annual Equivalent Bills		192
25	Number of 6-inch Customers	2	
26	Months in Year	<u>12</u>	
27	Annual Bills		24
28	Meter Multiplier		<u>50</u>
29	Annual Equivalent Bills		1,200
30	<b>Total Annual Equivalent Bills</b>		<b>18,666</b>

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

		Surcharge	Annual Bills	Total
36	<i>Revenue Check:</i>			
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 <sup>1</sup> MM = AWWA Meter Multiplier

# **ATTACHMENT 3**

**PUBLIC NOTICE OF THE APPLICATION OF**  
**TRUXTON CANYON WATER COMPANY, INC.**  
**FOR AN EMERGENCY RATE INCREASE**  
**DOCKET NO. XXXXXXXXXXXXXXX**

On January 13, 2017, Truxton Canyon Water Company or Company ("Company") filed with the Arizona Corporation Commission ("Commission") an Application for an emergency rate increase. The Company claims that it is entitled to emergency rate relief because it needs to replace diesel motors powering well and booster pumps with electric power motors and extend electric power to the well site. The Company estimates that it will incur \$248,944 in costs to alleviate the emergency condition. The Company is requesting authorization to recover this amount in emergency rates by implementing a monthly surcharge in the amount of \$1.27 per customer using a 5/8 x 3/4 inch meter.

**The Commission's Utilities Division ("Staff") is in the process of reviewing and analyzing the Application. Neither Staff nor any intervenor(s) has yet made any recommendation regarding the Company's request. The Commission is not bound by the proposals made by the Company, Staff, or any intervenor(s), and the Commission may approve the amount of the request, modify the amount higher or lower, or deny the request.**

If you have any questions concerning how the Application may affect your bill or have other substantive questions about the Application, you may contact the Company at: Truxton Canyon Water Company, Inc., 7313 Concho Drive, #2, Kingman, Arizona 86401, 702-256-4006, [info@truxtoncanyonwater.com](mailto:info@truxtoncanyonwater.com)

**How You Can View or Obtain a Copy of the Application**

Copies of the Application are available from (Company to insert how and where available); at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, during regular business hours; and on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function.

**Arizona Corporation Commission Public Hearing Information**

The Commission will hold a full public hearing on this matter. The Commission's Hearing Division will schedule a procedural conference to occur within five business days of the filing of the Application in order to set a public hearing date and establish other procedural requirements.

The Company will provide notice of the hearing date by means of posting notice in a conspicuous location within the affected communities, emailing notice to customers, and/or posting on the Company's website (or by other appropriate means), to allow an opportunity for customers to attend the hearing and provide verbal public comment.

Public comments will be taken on the first day of the hearing. Written public comments may be submitted at any time by mailing a letter referencing Docket No. (**insert docket number**) to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website ([www.azcc.gov](http://www.azcc.gov))

using the “Submit a Public Comment for a Utility” function. If you require assistance, you may contact the Consumer Services Section during regular business hours at 602-542-4251 or 1-800-222-7000.

### **About Intervention**

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person’s intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties’ witnesses. **Intervention is not required if you want to appear at the hearing and provide public comment on the Application, or if you want to file written comments in the record of the case.**

To request intervention, you must file an **original plus one hard copy** (if the application is for a Class A or B utility, and original plus 13 hard copies are required) of a written request to intervene with Docket Control, 1200 West Washington Street, Phoenix, AZ 85007, no later than January 23, 2017. You also **must** serve a copy of the request to intervene on each party of record on the same day that you file the request to intervene with the Commission. **Information about what intervention means, including an explanation of the rights and responsibilities of an intervenor, is available on the Commission’s website ([www.azcc.gov](http://www.azcc.gov)) using the “Intervention in Utility Cases” link.** The link also includes sample intervention requests.

If you choose to request intervention, your request must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
2. A reference to **Docket No. (insert docket number)**.
3. A short statement explaining:
  - a. Your interest in the proceeding (e.g., a customer of the Company, etc.);
  - b. How you will be directly and substantially affected by the outcome of the case; and;
  - c. Why your intervention will not unduly broaden the issues in the case;
4. A statement certifying that you have served a copy of the request to intervene on the Company or its attorney and to all parties of record in the case; and
5. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31, 38, 39, and 42, as applicable.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that **all motions to intervene must be filed on or before January 23, 2017.**

**If you do not intervene in this proceeding, you may not receive any further notice of the proceedings in this docket. However, all documents filed in this docket are available online (usually within 24 hours after docketing) at the Commission’s website ([www.azcc.gov](http://www.azcc.gov)) using the**

e-Docket function. You may choose to subscribe to an RSS feed for this case using the e-Docket function.

**ADA/Equal Access Information**

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