



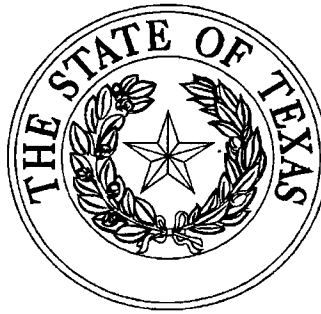
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PUBLIC UTILITY COMMISSION  
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**CLASS "B" WATER COMPANY  
PUC ANNUAL REPORT  
OF**

CCN Number  
20815, 13131

Official Company Name:

Liberty Utilites (Silverleaf Water), LLC

D/B/A Name(s)

Holly Ranch Water, Big Eddy Water, Hill Country, Piney Shores

**TO THE  
PUBLIC UTILITY COMMISSION  
OF TEXAS**

***For the Year Ended*** \_\_\_\_ ***31-Dec-15***

167

PUBLIC UTILITY COMMISSION OF TEXAS  
1701 N. CONGRESS AVE., PO BOX 13326, AUSTIN, TX 78711-3326

**Annual Report for Class B Water and/or Sewer Systems**  
Pursuant to TWC § 13.136 and Title 16 Texas Administrative Code (TAC) Chapter 24

**I. UTILITY INFORMATION**

- A. Utility Name: Liberty Utilites (Silverleaf Water), LLC  
List all assumed name(s) or d/b/a names: Holly Ranch Water, Big Eddy Water, Hill Country, Piney Shores
- B. Street Address, City or Town & Zip code: 12725 W Indian School Rd, Ste D 101, Avondale, AZ 85392  
County: Maricopa CCN No.: 20815, 13131
- C. List All PWS System names and numbers: PWS #2120037, PWS #1700532, PWS #0460180, PWS #2500012
- D. List All WQ Permitted system names and numbers TDDDES-13849-001, TDDDES-13417-001, TDDDES-12482-001
- E. Type of Ownership:  
Corporation: \_\_\_\_\_ X Partnership: \_\_\_\_\_ Individual: \_\_\_\_\_ Other: \_\_\_\_\_
- F. If a corporation list names of the officers. If an individual or partnership list the name of the individual or each partner.  
Matthew Garlick - President, Todd Wiley Secretary and Treasurer
- g. If the controlling ownership of this utility changed during the last twelve (12) months, state the date of ownership change and the name and address of the prior owner.  
N/A
- H. Date the utility was formed or incorporated: 8/24/2004
- I. Is the utility commonly owned or controlled by another corporation? Y N  
If yes, by whom? Liberty Utilities (Sub) Corp

**PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS**

- A. Name and Title: Gerry Becker - Utility Rates and Regulatory Manager
- B. Street Address, city, zip code: 12725 W Indian School Rd, Ste D101, Avondale, AZ 85392
- C. Telephone Number with Area Code: 623-298-3769  
Cell Phone Number with Area Code: 623-526-4652  
Fax Number with Area Code: 623-935-1020  
e-mail address: gerry.becker@libertyutilities.com
- D. If not an officer, owner or employee, give name of firm employed by:  
Liberty Utilities (Sub) Corp
- E. List all entities under common control or ownership with this utility by entity name, CCN No(s), Public Water System (PWS) No(s). and name(s) of water system(s) owned and Water Quality (WQ) Discharge Permit No(s). and name(s) of wastewater systems owned, and contact information.  
Tall Timbers Utility Company, 20694, TDDDES-13000-001 Same as above  
Woodmark Utility Company, 20679, TDDDES-13168-001 Same as above
- F. List all affiliates of the utility by entity name(s), CCN No(s). if any, PWS No. for each system owned and WQ Discharge Permit No. for each wastewater systems owned, including contact information.  
No additional CCN's in Texas
- G. If the utility owner owns multiple CCN's, please list all CCN numbers owned:  
Please see E

Name of Utility: Liberty Utilites (Silverleaf Water), LLC

Year End:

2015

**2. BALANCE SHEETS**

<b>ASSETS</b>		End of Year 12/31/15	End of Prior Year 12/31/14
<b>UTILITY PLANT</b>			
101 Utility Plant in Service		\$ 18,342,273	\$ 17,423,357
103 Property held for Future Use			
105 Construction Work In Progress		\$ 1,036,200	\$ 957,800
114, 115 Net Utility Plant Acquisition Adjustment			
<b>TOTAL UTILITY PLANT</b>		\$ 19,378,473	\$ 18,381,156
108 Less: Accumulated Depreciation		\$ 9,645,763	\$ 9,242,049
110 Less: Accumulated Amortization			
<b>NET UTILITY PLANT</b>		\$ 9,732,710	\$ 9,139,107
<b>CURRENT ASSETS</b>			
131-135 Cash		\$ 14,832	\$ 17,332
141-143 Accounts Receivable		\$ 555,014	\$ 547,034
144 Notes Receivable			
144-145 Accounts Receivable-Affiliates/Common Ownership		\$ 774,268	\$ 9,474,138
151 Plant Materials and Supplies			
162 Prepayments		\$ 11,257	\$ 14,677
171-174 Other Current Assets			
<b>TOTAL CURRENT ASSETS</b>		\$ 1,355,371	\$ 10,053,182
<b>OTHER ASSETS and DEFERRED CHARGES</b>			
181 Deferred Debt Expense			
182-186 Deferred Charges/Debits			
190 Accum Deferred Income Taxes			
<b>TOTAL OTHER ASSETS and DEFERRED CHARGES</b>		\$ -	\$ -
<b>TOTAL ASSETS</b>		<b>\$ 11,088,080</b>	<b>\$ 19,192,289</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>STOCKHOLDERS' EQUITY</b>			
201 Common Stock		\$ 5,731,212	\$ 5,731,212
211 Other paid in capital		\$ 1,763,579	\$ 1,868,351
215 Retained Earnings		\$ 2,421,007	\$ 10,674,779
<b>TOTAL STOCKHOLDERS' EQUITY</b>		\$ 9,915,798	\$ 18,274,342
<b>LONG-TERM DEBT</b>			
224 Long-term debt, excluding current portion		\$ -	\$ -
<b>CURRENT LIABILITIES</b>			
Current Portion of Long-term Debt			
231 Accounts Payable			
232 Notes Payable			
233, 234 Payables to Affiliates/Common Ownership			
236 Accrued Taxes			
237 Accrued Interest			
241.0 Other Current Liabilities		\$ 376,998	\$ 193,996
<b>TOTAL CURRENT LIABILITIES</b>		\$ 376,998	\$ 193,996
<b>OTHER LIABILITIES and DEFERRED CREDITS</b>			
252 Advances for Construction			
253 Other Deferred Credits			
255 Deferred Investment Tax Credits			
271-272 Net Contributions in Aid of Construction		\$ 795,283	\$ 723,951
281-283 Accumulated Deferred Inc. Taxes			
<b>TOTAL OTHER LIABILITIES and DEFERRED CREDITS</b>		\$ 795,283	\$ 723,951
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>\$ 11,088,080</b>	<b>\$ 19,192,289</b>

Add National Association of Regulatory Utility Commissioners (NARUC) accounts as needed, and if not shown above.  
PUC Water Annual Report

**3. STATEMENT OF REVENUES**

(Actual Revenues for the report year)

Water CUSTOMER CLASS	Prior Year Reported yyyy (A)	Current Reporting Year yyyy (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
Metered Sales:				
5/8" or 3/4"	\$ 1,660,179	\$ 1,659,575		\$ 1,659,575
3/4"	\$ 605	\$ 1,741		\$ 1,741
1"	\$ 38,414	\$ 38,241		\$ 38,241
1 1/2"	\$ 15,653	\$ 15,884		\$ 15,884
2"	\$ 113,905	\$ 104,044		\$ 104,044
3"	\$ 18,835	\$ 17,147		\$ 17,147
List all additional meter sizes				
				\$ -
SUB-TOTAL	\$ 1,847,591	\$ 1,836,632	\$ -	\$ 1,836,632

Unmetered Sales:

				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
List and explain if any rates are set				\$ -
on a basis other than meter size				\$ -
				\$ -
	\$ -	\$ -	\$ -	\$ -

470.0 Late fees - Water

471-474 Other Revenue

**TOTAL WATER REVENUE**

			\$ -
	\$ 23,301		\$ 23,301
\$ 1,847,591	\$ 1,859,933	\$ -	\$ 1,859,933

To Statement of Income

Sewer CUSTOMER CLASS	Prior Year Reported 2014 (A)	Current Reporting Year 2015 (B)	Earnings Report adjustments (C)	Totals For Earnings Report Adjustments (D=B+C)
Metered (measured) Sales (if any):				
Residential	\$ 2,123,668	\$ 2,135,053		\$ 2,135,053
Commercial	\$ 215,342	\$ 227,019		\$ 227,019
				\$ -
				\$ -
SUB-TOTAL	\$ 2,339,010	\$ 2,362,072	\$ -	\$ 2,362,072

Unmetered (flat rate) Sales:

SUB-TOTAL

			\$ -
			\$ -
			\$ -
			\$ -
\$ -	\$ -	\$ -	\$ -

470.0 Late fees - Sewer

536 Other Revenue

**TOTAL SEWER REVENUE****TOTAL REVENUE**

			\$ -
	\$ 1,670		\$ 1,670
\$ 2,339,010	\$ 2,363,742	\$ -	\$ 2,363,742
\$ 4,186,601.31	\$ 4,223,675	\$ -	\$ 4,223,675

To Statement of Income

## 4. Statements of Income

	Water Test Year yyyy	Sewer Test Year 2015	Total - Water and Sewer	Earnings Report adjustments	Adjusted for Earnings Report
	(a)	(b)	(c)	(d)	(e)=(c)+(d)
1 <b>Total Revenue: 1</b>	\$ 1,859,933	\$ 2,363,742	\$ 4,223,675	\$ -	\$ 4,223,675
	XXXX	XXXX	XXXX	XXXX	XXXX
	XXXX	XXXX	XXXX	XXXX	XXXX
<b>Operating Expenses:</b>					
2 601.1/701.1 O & M Salaried Labor	\$ 357,804	\$ 194,525	\$ 552,329		\$ 552,329
3 604/704 Employee Benefits			\$ -		\$ -
4 6/731, 6/735, 6/736 O & M Contract labor	\$ 124,557	\$ 418,875	\$ 543,433		\$ 543,433
5 620/720 Operating/Maint Supplies	\$ 30,523	\$ 19,748	\$ 50,271		\$ 50,271
6 610/710 Purchased Water	\$ 6,519		\$ 6,519		\$ 6,519
7 615/715 Purchased Power	\$ 144,023	\$ 56,720	\$ 200,743		\$ 200,743
8 635/735 Testing Expense	\$ 7,543	\$ 23,320	\$ 30,864		\$ 30,864
9 618/718 Chemicals	\$ 57,033	\$ 12,945	\$ 69,978		\$ 69,978
10 656-659/756-759 Insurance	\$ 8,123	\$ 5,883	\$ 14,006		\$ 14,006
11 601.2/701.2 General Office Salaries			\$ -		\$ -
12 650/750 Transportation	\$ 22,196	\$ 3,975	\$ 26,171		\$ 26,171
13 675 General Office Expenses	\$ 20,642	\$ 20,554	\$ 41,196		\$ 41,196
14 632, 633, 634 Contract Acctg, legal, Mgnt	\$ 259,123	\$ 145,394	\$ 404,517		\$ 404,517
15 666 Amortization- Rate Case Expense	\$ 49,704		\$ 49,704		\$ 49,704
16 403 Depreciation Expense	\$ 280,240	\$ 309,230	\$ 589,470		\$ 589,470
17 667-675 Other Misc. Expenses	\$ 64,784	\$ 97,857	\$ 162,640		\$ 162,640
<b>Taxes:</b>			XXXX	XXXX	XXXX
18 409 Federal Income Taxes	\$ 139,442	\$ 369,442	\$ 508,884		\$ 508,884
19 409 State Franchise Taxes/Reg Assess.			\$ -		\$ -
20 408 All Other Taxes	\$ 54,487	\$ 33,415	\$ 87,902		\$ 87,902
21 <b>Total Expenses</b>	\$ 1,626,744	\$ 1,711,884	\$ 3,338,628	\$ -	\$ 3,338,628
			XXXX	XXXX	XXXX
22 <b>Net Operating Income</b>	\$ 233,189	\$ 651,858	\$ 885,047	\$ -	\$ 885,047
			XXXX	XXXX	XXXX
23 421, 433 Non-Operating Income	\$ 15,206	\$ 4,928	\$ 20,134		\$ 20,134
24 <b>Non-Operating Deductions:</b>			XXXX	XXXX	XXXX
25 426 Other			\$ -		
26 427 Interest	\$ 497		\$ 497		\$ 497
27 <b>Net Income</b>	\$ 247,898	\$ 656,786	\$ 904,684	\$ -	\$ 904,684

1. Carried over from Statements of Revenues



Name of Utility:

Liberty Utilites (Silverleaf Water), LLC

Year End:

2015

## 5(b). Sewer Plant In Service - Changes Since the Previous Annual Report

A Date Plant Installed/Retired mm/yyyy	B List Major Items by account number and Class	C Report Year Beginning Balance	D Plant Additions Amounts	E Plant Retirements Amounts	F Plant Adjustments (plus or minus)	G=D-E+F Total change during report year
Various	352 Franchises					\$0
Various	353 Land and Land Rights	\$ 17,650				\$0
Various	354 Structures and Improvements	\$ 659,924	\$ 109,414			\$109,414
Various	355 Power Generation Equipment		\$ 85,124			\$85,124
Various	360 Collection Sewers - Force	\$ 389,593				\$0
Various	361 Collection Sewers - Gravity	\$ 1,190,125	\$ 5,431			\$5,431
Various	363 Services to Customers	\$ 56,911				\$0
Various	364 Flow Measuring Devices	\$ 2,420				\$0
Various	370 Receiving Wells	\$ 394,827				\$0
Various	371 Pumping Equipment	\$ 880,935	\$ 110,259			\$110,259
Various	375 Reuse Transmission And Distribution System	\$ 14,270				\$0
Various	380 Treatment and Disposal Equipment	\$ 4,860,015	\$ 2,896			\$2,896
Various	381 Plant Sewers					\$0
Various	389 Other Plant and Miscellaneous Equipment	\$ 926,172				\$0
Various	390 Office Furniture and Equipment	\$ 38,429				\$0
Various	390.1 Computer & Software	-				\$0
Various	391 Transportation Equipment	-	\$ 57,140			\$57,140
Various	393 Tools, Shop and Garage Equipment	\$ 33,254	\$ 2,077			\$2,077
Various	394 Laboratory Equipment	\$ 3,448				\$0
Various	395 Power Operated Equipment					\$0
Various	396 Communication Equipment	\$ 9,950	\$ 6,128			\$6,128
Various	398 Other Tangible Plant		\$ 51,175			\$51,175
						\$0
						\$0
						\$0

TOTALS

\$9,477,921

\$429,644

\$0

\$0

\$429,644



**6(a). Capital Structure**  
Year Ended 12/31/2015

	Per Books	Adjustments for Earnings Report	Per Books Post Adjustment	Ratio
232 00 Short-Term Debt	\$ -	\$ -	\$ -	0.00%
224.0 Long-Term Debt	\$ -	\$ -	\$ -	0.00%
Common Equity				
201 0 Common Stock	\$ 5,731,212	\$ -	\$ 5,731,212	
218 0 Proprietary Capital			\$ -	
211.0 Misc Paid-in-Capital	\$ 1,763,579	\$ -	\$ 1,763,579	
215.0 Retained Earnings	\$ 2,421,007	\$ -	\$ 2,421,007	
216.0 Reacquired Stock	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Total Equity	\$ 9,915,798	\$ -	\$ 9,915,798	100.00%
Total Capital	\$ 9,915,798	\$ -	\$ 9,915,798	100.00%

**Debt Detail**

Type	Principal Amount	Cost Rates	Interest Expense
232 0 Short Term Debt.			
(Lender name A)	\$ -	0.00%	\$ -
(Lender name B)	\$ -	0.00%	\$ -
(Lender name C)	\$ -	0.00%	\$ -
Total Short-Term Debt	\$ -	0.00%	\$ -
224.0 Long-Term Debt.			
(Lender name D)		0.00%	\$ -
(Lender name E)		0.00%	\$ -
(Lender name F)		0.00%	\$ -
Total Long-Term Debt	\$ -	0.00%	\$ -

**6(b). RATE BASE AND EARNINGS CALCULATION**

**RATE BASE SUMMARY**

Description	Water (a)	Sewer (b)	Total (c) = (a) + (b)	Reference (schedule)
1 Additions	xxxx	xxxx	xxxx	
2 Utility plant	\$ 8,434,706	\$ 9,907,566	\$ 18,342,271	5(a) & 5(b)
3 Materials and supplies			\$ -	2
4 Working cash (capital) (attach schedule)			\$ -	
5 Prepayments	\$ 11,257	\$ 11,257	\$ 22,514	2
6 Other (attach schedule or itemize)				
7 TOTAL ADDITIONS (Add Lines 2 through 6)			\$ 18,364,785	
8 Deductions	xxxx	xxxx	xxxx	
9 Reserve for depreciation (Accumulated)		\$ 9,645,763	\$ 9,645,763	2
10 Advances for construction		\$ -	\$ -	2
11 Contributions in aid of construction		\$ 795,283	\$ 795,283	2
12 Accumulated deferred income taxes		\$ 493,432	\$ 493,432	2
13 Accumulated deferred investment tax credits				2
14 Other (attach schedule or itemize)				2
15 TOTAL DEDUCTIONS (Add lines 9 through 14)			\$ 10,934,479	
16 RATE BASE (Line 7, less Line 15)			\$ 7,430,307	

**EARNINGS CALCULATION**

17 Return (Note 1)	905,181
18 Rate of Return (Line 17/Line 16)	12.18%
19 Earned Return on Ending Equity (Notes 2, 3)	12.18%

Note 1 Schedule 4 Statements of Income, line 26 plus line 27

Note 2 Based on reported capital structure in Schedule 6. Capital Structure Earnings

Note 3 Line 19 (above) will automatically calculate correctly only after Schedule 4 Statements of Income, Schedule 7 Rate of Return, and the above portions of this schedule (tab) have been completed

Name of Utility: Liberty Utilites (Silverleaf Water), LLC Year End: 2015

### 7. Rate of Return

Year Ended 12/31/2015

	Balance	Capital Structure %	Cost Rates	Weighted Cost of Capital
	(a)	(b)	(c)	(c )=(a) x (b)
224.0 Long-Term Debt	-	0.00%	0.00%	0.00%
Common Equity*	9,915,798	100.00%	12.00%	12.00%
Total		100.00%		12.00%

\*If the company currently has an authorized return on equity (ROE), enter that ROE in column (c) and provide the docket number in which that ROE was granted here ==>>

43730

If the company does not currently have an authorized ROE, enter in column (c) the ROE Moody's BAA Bond rating plus 6 percentage points. Utilities may obtain the current Moody's BAA Bond rating by emailing the PUC at water@puc.state.tx.us (this will in virtually every circumstance be different from the ROE that is actually earned) and place an "X" here==>>

## 8. Connection Count

### METERED CUSTOMERS BY METER SIZE

Number of Customers						
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Meter	End of	Additions	End of	Meter	Meter
No.	Size/ description	Prior Year	or change	Report Year	Ratios	Equivalencies
<b>Water</b>				(C + D)		(E x F)
1	5/8" x 3/4" (LUE)	2811		2811	1	2811
2	3/4"	3		3	1.5	4.5
3	1"	21		21	2.5	52.5
4	1 1/2"	6		6	5	30
5	2"	23		23	8	184
6	3"	1		1	15	15
	List all Additional meter sizes					
7	Unmetered					
8		2865	0	2865		3097
<b>Sewer</b>						
9	Residential	1023		1023		
10	Commercial	32		32		
11						
12						
13		1055	0	1055		0

Total Water

Total Sewer

**9. VOLUMETRIC INFORMATION**

	(Report in 1,000 gallons)	Report Year
	Description	2015
1.	Water Pumped	262,062.85
2.	Purchased Water	
3.	Total Water Produced (1. + 2.)	262,062.85
4.	Total Water Sold	
5.	Water Lost (3 - 4)	262,062.85

Name: **Liberty Utilites (Silverleaf Water), LLC**

Year End:

2015

**10. Affiliated Transactions****Charges by an Affiliate to the Reporting Utility**

Name of Affiliated company: Algonquin Power and Utilities Corp (APUC) - Provides financial, strategic management, corporate governance and administrative.

Name of Affiliated company: Liberty Utilities Canada (LUC) - Provides services for accounting, admin, corporate finance, human resources, information technology, rates and regulatory affairs, environment, health and safety, risk management, legal and utility planning.

Name of Affiliated company: Liberty Utilities Canada (Liberty Algonquin Business Services) (LUC-LABS) - Provides services for accounting, admin, corporate finance, human resources, information technology, rates and regulatory affairs, environment, health and safety, risk management, legal and utility planning

Name of Affiliated company: Liberty Utilities (Sub) Corp - Provides local accounting, customer service, human resources, rates and regulatory affairs, information technology, environment, health and safety and administrative.

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)
734	Algonquin Power and Utilities Corp - Admin	482,882	34,234	20,156
734	Algonquin Power and Utilities Corp - Labor	140,401	15,562	8,215
734	Liberty Utilities Canada - Admin	674,526	48,670	28,721
734	Liberty Utilities Canada - Labor	167,299	18,430	9,769
734	Liberty Utilities Canada (Liberty Algonquin Business Services) - Admin	801,230	57,073	33,941
734	Liberty Utilities Canada (Liberty Algonquin Business Services) - Labor	28,332	28,332	15,332
734	Liberty Utilities (Sub) Corp - Admin	2,203,381	155,392	92,284
734	Liberty Utilities (Sub) Corp - Labor	3,325,501	358,532	189,359
		7,823,551	716,225	397,777

**Charges by an Reporting Utility to Affiliates**

Name of Affiliated company: \_\_\_\_\_

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)
	None			

Liberty Utilities (Silverleaf Water), LLC  
(Company Name)

VERIFICATION

OATH

(To be made by the officer having control of the accounting of the respondent)

State of Arizona  
as:

County of Maricopa

Matthew Garlick makes oath and says that he/she is President  
(Name of affiant) (Official title of affiant)

of Liberty Utilities (Silverleaf Water) LLC  
(Exact legal title or name of the respondent)

The signed officer has reviewed the report.

Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading

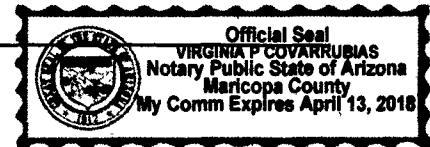
Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the issuer as of, and for, the periods presented in the report.

He/she swears that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including January 2015 to and including December 2015.

Subscribed and sworn to and before me, a Notary  
in and for the State and County above-named, this 13th day of September.

Matthew Garlick  
(Signature of affiant)

My commission expires April 13, 2018, Virginia P. Covarrubias  
(Signature of officer authorized to administer oaths)



SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of Arizona  
as:

County of Maricopa

Todd Wiley makes oath and says that he/she is Secretary/Treasurer  
(Name of affiant) (Official title of affiant)

of Liberty Utilities (Silverleaf Water) LLC  
(Exact legal title or name of the respondent)

that he/she has carefully examined the foregoing report; that he/she swears that all statements of fact contained in the said report are true, and that the said report is a correct statement of the business and affairs of the above named respondent during the period of time from and including January 2015 to and including December 2015

Subscribed and sworn to before me, a Notary  
in and for the State and County above-named, this 13th day of September

Todd Wiley  
(Signature of affiant)

My commission expires April 13, 2018, Virginia P. Covarrubias  
(Signature of officer authorized to administer oaths)

