ORIGINAL

E000055395
W-02089A-26-0447

NEW APPLICATION

ARIZONA CORPORATION COMMISSION

FINANCING APPLICATION

Kyllo Development Corp. dba Bradshaw Mountainview Water Company

UTILITY NAME

W-02089A-26-

DOCKET NO(S)

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application please call (602) 542-4251 for Staff assistance.

IN ORDER TO PROCESS YOUR APPLICATION
PLEASE FORWARD THE ORIGINAL
AND THIRTEEN COPIES OF THE
APPLICATION PLUS
THREE PACKETS OF THE SUPPORTING
DOCUMENTATION TO:

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL CENTER
1200 WEST WASHINGTON STREET
PHOENIX, ARIZONA 85007

ACC - Docket Control - Received: 10/31/2026 01:23 PM
ACC - Docket Control - Docketed: 11/2/2026 8:18 AM

Application Information Regarding Arizona Revised Statutes 40-285, 40-301 and 40-302

The application for financing approval pursuant to Arizona Revised Statutes 40-285, 40-301 and 40-302 shall include the following information:

1. The applicant's exact legal name and the contact phone number and email, as well as the address of its principal business office.

   Kyllo Development Corp dba Bradshaw Mountainview Water Company
   17081 Duffers Drive
   Spring Valley, AZ 86333
   (928) 925-4837
   info@azutility.com

2. Name and address of the person authorized, on behalf of applicant, to receive notices and communications regarding the application.

   Stuart McLean
   PO Box 938
   Mayer, AZ 86333
   (928) 300-5764
   stuart@azutility.com

3. A full and complete response to all data requests contained within Attachment A.

   Completed Attachment A is attached.

4. A statement that demonstrates why the financing is:

   a. Within the corporate powers of the applicant;
   Stuart W McLean is the sole stockholder and President of Kyllo Development Corp dba Bradshaw Mountainview Water Company ("Bradshaw") and in that role can determine when outside funding is necessary.

   b. Compatible with the public interest;
   The projects that will be undertaken with the loan proceeds are in the public interest because it will enable Bradshaw to provide more reliable and consistent service to its customers by updating infrastructure that has beyond its useful life.

   c. Compatible with sound financial practices;
   It is sound financial practice to borrow from WIFA for the requested upgrades because these major projects are necessary to continue to provide reliable service and meet government mandates for lead, and Bradshaw does not have funds available for these projects without borrowing.

d. Compatible with the proper performance by the applicant of service as a public service corporation and will not impair its ability to perform that service; and
The proceeds of the loan and the resulting construction will better enable Bradshaw to provide more consistent and reliable service to its customers by rehabilitation of the system's wells, refurbishment of storage tanks, and installation of radio-read meters to better track water sold and water pumped. In addition, Bradshaw will complete its lead service line inventory[1] to determine construction materials for all the company service lines when the meters are replaced.

e. Why the purposes of the financing are not reasonably chargeable to operative expenses or to income.
The projects sought to be completed by Bradshaw with the loan proceeds will benefit the customers over a period of many years and as a result, it is more appropriate to fund these costs with debt.

5. The name and address of any person receiving, or entitled to, a fee for service in connection with the issuance or placement of the financing and a demonstration that such fees do not exceed customary fees for such service in an arms-length transaction and are reasonable.
N/A

6. Provide a copy of any documents to be executed in the matter.
No documents have been executed in the matter yet.

7. Pursuant to A.RS. §40-302, the Company is required to provide public notice of the financing application to its customers. Attachment B is a copy of the notice to be provided, with the blanks filled in as indicated, using a heading in no less than 12-point bold type and the body in no less than 10-point regular type. Within 10 days of filing the financing application, either mail a copy of the notice to customers or have it published at least once in a newspaper of general circulation in the area in which the Company serves. Companies are also encouraged to post the notice on their websites, if possible. File proof of noticing customers with Docket Control within 30 days of filing the financing application. Proof of public notice consists of a signed statement from the Company verifying that notice was timely mailed to customers together with a copy of the dated mailed notice, or a copy of the notice as it appeared in the newspaper, accompanied by a notarized affidavit of publication.
A copy of the customer notice related to the financing application that will be sent to customers is included as <u>Attachment B</u>.

8. Submit an original and thirteen (13) copies of the application and three (3) copies of the supporting documents to the following:
Arizona Corporation Commission
Docket Control Center
1200 West Washington Street
Phoenix, Arizona 85007

[1] Per the EPA mandate a lead service line inventory has been completed and now the utility must determine the construction material of the "unknown" service lines on the system.

Bradshaw Mountainview Water Company
Docket No. W-02089A-26-
Application for Approval of Financing
October 31, 2026

Arizona Corporation Commission Staff Standard Initial Financing Data Request

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

Response: The Income Statement for Test Year end June 30, 2026 and Balance Sheet as of June 30, 2026 from the rate case, adjusted for the plant additions from the proposed WIFA loan are attached as Exhibit 1. The financial statements are not audited.

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

Response: The proposed lender is the Water Infrastructure Finance Authority of Arizona at 3300 North Central Avenue, Suite 1050, Phoenix AZ, 85012. The estimated loan amortization schedule is attached as Exhibit 2 and is based on a loan amount of $1,229,729 over a 20-year term at an estimated interest rate of 7.0%. The operating margin, DSC, TIER and CCR are reflected on Exhibit 5. WIFA requires a minimum of 1.20 DSC be maintained for the duration of the proposed loan.

1.3 — Provide an explanation of the proposed use of the financing proceeds. If the proceeds of the financing are for funding multiple projects/uses or a construction work plan ("CWP"), provide a detailed list of the projects/uses or a copy of the CWP and the associated cost and the expected funding dates for each. Also provide a copy of any independent external engineering review of the CWP.

Response: The funding will be for multiple projects that are detailed on the Construction Cost Estimate on the first page of Exhibit 3. The second page is the Plant Summary including the projected assets resulting from the WIFA loan. Table 1 below provides a summary of the proposed loan projects.

Table 1

Project	Cost
Water Meter Replacement	$ 440,302
Lead Service Line Inspection	58,699
Storage Tank Refurbishment	212,384
Well Rehabilitation (5 wells)	459,344
Purchase Well Field Property (parcel 500-03-887B)	59,000
Total Loan Amount Proposed	**$1,229,729**

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

Response: No interim funding will be used.

1.5 — Provide the balances, if any, of "Advances in Aid of Construction" and "Contributions in Aid of Construction," as of the end of the Company's most recent fiscal year.

Response: The balances as of the Test Year end 6/30/26 was $30,341 for Advances in Aid of Construction (meter deposits) and net $795,034 for Contributions in Aid of Construction.

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

Response: The Finance Application notice will be mailed to customers with the Rate Case Application customer notice on or around November 6, 2026.

1.7 — Provide the number of customers currently served by rate class, and a brief description of each class of customers (residential, commercial, etc.).

Response: Please refer to Table 2 below for details of the number and class of customers served by Bradshaw at the end of Test Year.

Table 2

Class	Customers	Meter Size(s)
Single Family Residential	642	5/8 x ¾-inch, ¾-inch, 1-inch
Multi-Family Residential	4	2-inch
Commercial	11	5/8 x ¾-inch, 1-inch, 2-inch, 4-inch
Irrigation	5	1-inch, 1 ½-inch
Other	6	5/8 x ¾-inch, ¾-inch, 1, 3 and 4-inch

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

Response: Not Applicable

1.9 — If not clearly identified with the financial statements and footnotes of the financial statements provided in response to 1.1, provide a complete list of all long-term debt obligations (including capital leases). For each obligation provide: the lender's name and contact information, the initial loan amount, the current outstanding (unpaid) balance, the inception date, the maturity date(s), the annual interest rate (for variable interest rates state the basis upon which the rate is dependent and the time interval or frequency the changes are implemented), the numerical covenants such as DSC, TIER, CCR, equity-to-total capital ratio, etc. For amortizing loans, provide an amortization schedule showing the scheduled payments for principal and interest. Also, provide any other information pertinent for gaining an essential understanding of the Company's debt obligations.

Response: Not Applicable

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

Response: The proposed loan will not be used to retire existing debt.

1.11 — Provide a certificate of resolution from the board of directors authorizing the filing of this application.

Response: Board of Directors resolution attached as Exhibit 4.

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

Response: 5-year financial projections, the associated property tax calculation, and the surcharge calculation are attached as Exhibit 5. The revenue and expenses were kept mostly the same each year with the exception of inflation sensitive expenses and depreciation expense, property taxes and interest expense which were based on projected actual amounts.

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

Response: Not Applicable

1.14 — If applicable, provide the Company's most recent credit agency(ies) financial review(s).

Response: Not Applicable

1.15 — Provide the Commission decision number and date for the Company's most recent general rate case and state the date of the test year end used in that rate case.

Response: The prior rate case Decision No. 75926 dated January 13, 2017, had a Test Year ending on December 31, 2015. Bradshaw has filed for a rate increase in conjunction with this financing application using a Test Year end of June 30, 2026.

1.16 — Identify any additional financing authorizations the Company contemplates seeking from the Commission in the next five years.

Response: Bradshaw does not anticipate any additional financing authorizations within the next five years.

1.17 — For a financing application by an electric provider in which the funds will be used for projects in a CWP that has not been previously reviewed by the Commission, provide the following information in the spreadsheet provided:

a. Peak Demand (MW) & Energy (MWh) for the most recent previous five years.
b. Peak Demand (MW) & Energy (MWh) projected for the next five years.
c. Historical System Losses in MWh for the most recent previous five years.
d. Number of Customers for the most recent previous five years by Customer Class.
e. Total System Average Interruption Duration Index (SAIDI) for the most recent previous five years as well as SAIDI by the causes of Power Supplier, Planned, Major Events, and All Other.

Response: Not Applicable

Attachment B

PUBLIC NOTICE OF KYLLO DEVELOPMENT CORP DBA BRADSHAW MOUNTAINVIEW WATER COMPANY FINANCING APPLICATION DOCKET NO. W-02089A-26-

On October 30, 2026, Kyllo Development Corp dba Bradshaw Mountainview Water Company ("Company" or "Applicant") filed an Application with the Arizona Corporation Commission ("Commission") for an order authorizing Applicant to issue $1,229,729 of debt. The purpose of the financing is to rehabilitate the 5 wells, refurbish 2 storage tanks, purchase a well field property and upgrade the system to radio-read meters. 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 www.azutility.com/rate case, or email customerservice@azutility.com for alternative delivery, 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-02089A-26-0TBD.

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-02089A-26-0TBD 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 December 9, 2026, and must send a copy of the motion to Bradshaw Mountainview Water Company, or its counsel. Contact information for the Applicant and other parties is available using the eDocket function and Docket No. W-02089A-26-0TBD.

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 form 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.

Kyllo Development Corp. dba Bradshaw Mountainview Water Company **Exhibit 1**
Application for Financing
Docket No. W-02089A-26-
Test Year Ended 6/30/26

BALANCE SHEET - INCLUDING WIFA LOAN

Acct. No.		Balance at Beginning of Test Year July 1, 2025	Balance at End of Test Year June 30, 2026
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 12,124	$ 10,604
134	Working Funds	-	-
135	Temporary Cash Investments	-	-
141	Customer Accounts Receivable	4,881	7,321
146	Notes/Receivables from Associated Companies	-	-
151	Plant Material and Supplies	-	-
162	Prepayments	-	-
174	Miscellaneous Current and Accrued Assets	-	-
190	Deferred Income Taxes	-	-
	TOTAL CURRENT AND ACCRUED ASSETS	**$ 17,005**	**$ 17,925**
	FIXED ASSETS		
101	Utility Plant in Service	$ 2,996,726	$ 4,516,033
103	Property Held for Future Use	-	-
105	Construction Work In Progress	185,935	-
108	Accumulated Depr - Utility Plant ("AD-UP")	(2,015,638)	(2,066,964)
121	Non-Utility Property	-	
122	Accumulated Depreciation - Non Utility ("AD-NU")	$ -	
	TOTAL FIXED ASSETS	**$ 1,167,023**	**$ 2,449,069**
	TOTAL ASSETS	**$ 1,184,028**	**$ 2,466,994**

Kyllo Development Corp. dba Bradshaw Mountainview Water Company
Application for Financing
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Test Year Ended 6/30/26

Exhibit 1

BALANCE SHEET CONTINUED

Acct. No.		Balance at Beginning of Test Year July 1, 2025	Balance at End of Test Year June 30, 2026
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	$ 80,914	$ 163,290
232	Notes Payable (Current Portion)	-	-
234	Notes/Accounts Payable to Associated Companies	-	10,747
235	Customer Deposits	28,750	27,306
236	Accrued Taxes	(389)	(265)
237	Accrued Interest	-	-
241	Miscellaneous Current and Accrued Liabilities	-	-
	TOTAL CURRENT LIABILITIES	**$ 109,275**	**$ 201,078**
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$ -	$ 1,229,729
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	$ -	$ -
252	Advances in Aid of Construction	31,185	30,341
255	Accumulated Deferred Investment Tax Credits	-	
271	Gross Contributions in Aid of Construction	1,869,134	2,103,889
271.1	Gross Contributions in Aid of Construction (CWIP)	170,691	-
272	Less: Amortization of Contributions	(1,255,786)	(1,308,855)
	TOTAL DEFERRED CREDITS	**$ 815,224**	**$ 825,375**
	TOTAL LIABILITIES	**$ 924,499**	**$ 2,256,182**
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 1,100	$ 1,100
211	Paid in Capital in Excess of Par Value	-	-
215	Retained Earnings	258,429	209,712
218	Proprietary Capital (Sole Props and Partnerships)	-	-
	TOTAL CAPITAL	$ 259,529	$ 210,812
	TOTAL LIABILITIES AND CAPITAL	**$ 1,184,028**	**$ 2,466,994**

Kyllo Development Corp. dba Bradshaw Mountainview Water Company
Application for Financing
Docket No. W-02089A-26-
Test Year Ended 6/30/26

Exhibit 1

COMPARATIVE INCOME STATEMENT - INCLUDING WIFA LOAN

Acct. No.	Operating Revenue	Prior Year July 24 - June 25	Test Year Jul 25 - Jun 26	Company Adjustments	Company Adjusted	Increase Requested	Company Proposed
461	Metered Water Revenue	$ 269,998	$ 267,499		$ 267,499	$ 185,509	$ 453,008
469	Guaranteed Revenues (Surcharges)	-	6,895	(6,895)	-	138,859	138,859
471	Miscellaneous Service Revenues	-	-	-	-		-
474	Other Water Revenue	7,542	9,684	-	9,684	-	9,684
	Total Revenues	**$ 277,540**	**$ 284,078**	**$ (6,895)**	**$ 277,183**	**$ 324,368**	**$ 601,551**
	Operating Expenses						
601	Salaries and Wages	$ -	$ -	$ -	$ -	$ -	$ -
610	Purchased Water	-	7,000	(7,000)	-	-	-
615	Purchased Power	33,188	33,228	-	33,228	-	33,228
618	Chemicals	1,335	1,455	-	1,455	-	1,455
620	Materials and Supplies	6,919	5,827	-	5,827	-	5,827
620.1	Repairs and Maintenance	37,327	36,492	-	36,492	-	36,492
620.2	Office Supplies and Expense	1,990	402	-	402	-	402
630	Contractual Services - Billing	68,085	71,209		71,209		71,209
632	Contractual Services - Accounting	49,442	52,222	830	53,052	-	53,052
633	Contractual Services - Legal	-	-	-	-	-	-
634	Contractual Services - Management Fees	44,895	38,420	31,020	69,440	-	69,440
635	Contractual Services - Water Testing	6,795	5,977	2,216	8,193	-	8,193
636	Contractual Services - Other	20,731	21,825	6,000	27,825	-	27,825
640	Rents	-	-	-	-	-	-
650	Transportation Expenses	19,500	18,084	-	18,084	-	18,084
657	Insurance - General Liability	5,462	6,958	-	6,958	-	6,958
670	Bad Debt Expense	-	1,732	-	1,732	1,089	2,821
675	Miscellaneous Expense	295	578	-	578	-	578
403	Depreciation Expense	13,438	12,266	832	13,098	58,643	71,741
408.11	Property Taxes	9,429	9,389	32	9,421		9,421
427.1	Customer Security Deposit Interest	379	707	-	707	-	707
	Total Operating Expenses	**$ 319,209**	**$ 323,771**	**$ 33,930**	**$ 357,701**	**$ 59,732**	**$ 417,433**
	Operating Income / (Loss)	**$ (41,670)**	**$ (39,693)**	**$ (40,825)**	**$ (80,518)**	**$ 264,636**	**$ 184,118**
	Other Income / (Expense)						
419	Interest and Dividend Income	$ -	$ -	$ -	$ -	$ -	$ -
421	Other Income	-	-	-	-	-	-
427	Interest Expense - WIFA Loan	-	-	-	-	(85,110)	(85,110)
	Total Other Income / (Expense)	**$ -**	**$ -**	**$ -**	**$ -**	**$ (85,110)**	**$ (85,110)**
	Net Income / (Loss)	**$ (41,670)**	**$ (39,693)**	**$ (40,825)**	**$ (80,518)**	**$ 179,526**	**$ 99,008**

Kyllo Development Corp. dba Bradshaw Mountainview Water Company **Exhibit 2**
Application for Financing
Docket No. W-02089A-26-
Test Year Ended 6/30/26

Amount Requested	$	1,229,729		
Down Payment:		-		
Amount Financed:	$	1,229,729		
Number of years:		19.5	**Compounding Periods:**	12
Interest rate (r):		7.00%	**APR:**	7.23%

LOAN AMORTIZATION SCHEDULE

Period	Loan Payment (1)	Beginning Principal (2)	Payments		Ending Principal [(2) - (4)] (5)
			Interest [r * (2)] (3)	Principal [(1) - (3)] (4)	
1	$ 9,646.82	$ 1,229,729.13	$ 7,173.42	$ 2,473.40	$ 1,227,255.73
2	9,646.82	1,227,255.73	7,158.99	2,487.83	1,224,767.90
3	9,646.82	1,224,767.90	7,144.48	2,502.34	1,222,265.56
4	9,646.82	1,222,265.56	7,129.88	2,516.94	1,219,748.62
5	9,646.82	1,219,748.62	7,115.20	2,531.62	1,217,217.00
6	9,646.82	1,217,217.00	7,100.43	2,546.39	1,214,670.61
7	9,646.82	1,214,670.61	7,085.58	2,561.24	1,212,109.37
8	9,646.82	1,212,109.37	7,070.64	2,576.18	1,209,533.18
9	9,646.82	1,209,533.18	7,055.61	2,591.21	1,206,941.97
10	9,646.82	1,206,941.97	7,040.49	2,606.33	1,204,335.64
11	9,646.82	1,204,335.64	7,025.29	2,621.53	1,201,714.11
12	9,646.82	1,201,714.11	7,010.00	2,636.82	1,199,077.29
Year 1 Totals	**$ 115,761.86**		**$ 85,110.02**	**$ 30,651.84**	

DSR Rate	20%
DSR Pmt	$ 23,152.37
Annual Pmt	**$ 138,914.23**

Kyllo Development Corp. dba Bradshaw Mountainview Water Company
Application for Financing
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Test Year Ended 6/30/26

Exhibit 3

CONSTRUCTION COST ESTIMATE

Project #	Description	Quan	Unit	Cost	Raw Costs	Sales Tax	Legal & Admin	Contingency @ 15%	Total Final Cost	Acct
1	**Meter/Service Line Project**									
	Cost of Meters	705	EA	varies	$ 297,147	$ 27,278	$ 8,913	$ 44,572	$ 377,910	334
	Meter Installation	705	EA	$ 75	52,875	-	1,586	7,931	62,392	334
	Lead and Copper Line Inspection	1	EA	49,745	49,745	-	1,492	7,462	58,699	333
	Total Meter/Service Line Project				**$ 399,767**	**$ 27,278**	**$ 11,991**	**$ 59,965**	**$ 499,001**	
2	**Storage Tank Refurbishment**									
	Bensch Ranch Tank	1	EA	$ 35,750	$ 35,750	$ -	$ 1,072	$ 5,363	$ 42,185	330.1
	Trails End Tank	1	EA	140,000	140,000	5,000	4,199	21,000	170,199	330.1
	Total Storage Tank Refurbishment				**$ 175,750**	**$ 5,000**	**$ 5,271**	**$ 26,363**	**$ 212,384**	
3	**Well Projects**									
	Well Rehabilitation	5	EA	$ 74,934	$ 374,670	$ 17,235	$ 11,238	$ 56,201	$ 459,344	307
	Well Field Property - 500-03-887B	1	EA	50,000	50,000	-	1,500	7,500	59,000	303
	Total Well Projects				**$ 424,670**	**$ 17,235**	**$ 12,738**	**$ 63,701**	**$ 518,344**	
	Total All Projects				**$ 1,000,187**	**$ 49,513**	**$ 30,000**	**$ 150,029**	**$1,229,729**	

Kyllo Development Corp. dba Bradshaw Mountainview Water Company
Application for Financing
Docket No. W-02089A-26-
Test Year Ended 6/30/26

Exhibit 3

RATE CASE PLANT SUMMARY INCLUDING PROPOSED LOAN ADDITIONS

Acct. No.	Description	Test Year End Plant Total	Additions From Loan Proceeds	Projected Plant In Service	Depr Rate	Annual Loan Asset Depr Exp
301	Organization	$ 10,271	$ -	$ 10,271	0.00%	$ -
302	Franchises	-	-	-		-
303	Land and Land Rights	6,660	59,000	65,660	0.00%	-
304	Structures and Improvements	94,836	-	94,836	3.33%	-
307	Wells and Springs	262,116	459,344	721,460	3.33%	15,296
310	Power Generation Equipment	82,279	-	82,279	10.00%	-
311	Pumping Equipment	199,714	-	199,714	12.50%	-
320	Water Treatment Equipment	-	-	-		-
320.1	Water Treatment Plants	-	-	-		-
320.2	Solution Chemical Feeders	1,250	-	1,250	0.00%	-
330	Distribution Reservoirs and Standpipes	-	-	-		-
330.1	Storage Tanks	354,659	212,384	567,043	2.22%	4,715
330.2	Pressure Tanks	-	-	-		-
331	Transmission and Distribution Mains	1,243,862	-	1,243,862	2.00%	-
333	Services	406,219	58,699	464,918	3.33%	1,955
334	Meters and Meter Installations	287,515	440,302	727,817	8.33%	36,677
335	Hydrants	327,635	-	327,635	2.00%	-
336	Backflow Prevention Devices	-	-	-		-
339	Other Plant and Misc. Equipment	-	-	-		-
340	Office Furniture and Equipment	456	-	456	6.67%	-
340.1	Computer & Software	1,495	-	1,495	20.00%	-
341	Transportation Equipment	-	-	-		-
343	Tools, Shop and Garage Equipment	-	-	-		-
345	Power Operated Equipment	-	-	-		-
346	Communication Equipment	7,337	-	7,337	10.00%	-
347	Miscellaneous Equipment	-	-	-		-
348	Other Tangible Plant	-	-	-		-
	TOTAL WATER PLANT	**$3,286,304**	**$ 1,229,729**	**$ 4,516,033**		**$ 58,643**

EXHIBIT 4

Kyllo Development Corp dba
Bradshaw Mountainview Water Company
BOARD OF DIRECTORS CERTIFICATE OF RESOLUTION

Whereas, Kyllo Development Corp. dba Bradshaw Mountainview Water Company ("Bradshaw") shall continue to operate and provide services to its customers.

Whereas the authority to contract with funding sources, specifically the Water Infrastructure Finance Authority of Arizona, shall be needed in order for Bradshaw to continue its operations.

Now therefore, be it resolved that the Board of Directors of Bradshaw, hereby authorizes Mr. Stuart McLean, Director/CEO/Shareholder to act on behalf of Bradshaw in entering into a loan agreement with the Water Infrastructure Finance Authority of Arizona; and to sign for and perform any and all responsibilities in relationship to the loan agreement.

Approved: October 27, 2026

Location: 17081 Duffers Drive
Spring Valley, AZ 86333

Stuart W. McLean
Shareholder

Kyllo Development Corp. dba Bradshaw Mountainview Water Company **Exhibit 5**
Application for Financing
Docket No. W-02089A-26-
Test Year Ended 6/30/26

SURCHARGE CALCULATION

Loan Amount	$	1,229,729	From Amortization Schedule
Term		20.0	
Interest Rate		7.00%	

Step 1 - Determine Principal and Interest

Principal	$	30,652	From Amortization Schedule
Interest		85,110	From Amortization Schedule
	$	**115,762**	**Debt Service Component**

Step 2 - Gross Revenue Conversion Factor

Revenue		1.0000
Property Tax		0.0113
Arizona Taxable Income		0.9887
Arizona Income Tax	0.0000%	-
Federal Taxable Income		0.9887
Federal Income Tax	0.0000%	-
Operating Income		0.9887
Gross Revenue Conversion Factor		**1.0115**

Step 3 - Incremental Tax Factor ("IITF")

IITF	0.0115	Step 2 less 1

Step 4 - Tax Component of Principal

IITF		0.0115	
Loan principal	$	30,652	
	$	**351**	**Tax Component of Principal**

Step 5 - Tax Component of Depreciation Expense

IITF		0.0115	
Depreciation Expense	$	58,643	Loan assets Only
	$	**672**	**Tax Component of Depreciation Expense**

Step 6 - DSR Component of Surcharge

Principal and Interest	$	115,762	
DSR %		20%	
	$	**23,152**	**DSR Component of Surcharge**

Step 7 - Tax Component of DSR

IITF		0.0115	
DSR component	$	23,152	
	$	**265**	**Tax Component of DSR**

SURCHARGE CALCULATION

Step 8 - Tax Component of Surcharge

Property Tax	$	351	Principal component (Step 4)
Property Tax		(672)	Depreciation Expense Component (Step 5)
Property Tax		265	DSR Component (Step 7)
	$	**(55)**	**Property Tax Component of Surcharge**

Step 9 - Add Tax Component to Debt Service Component

Property Tax	$	(55)	Component of Surcharge (Step 8)
Principal and Interest		115,762	Step 1
DSR		23,152	Debt Service Reserve Component (Step 6)
	$	**138,859**	**Revenue Requirement**

Step 10 - Equivalent Bills

Meter Size	Customers	NARUC Multiplier	Months	Equivalent Bills
5/8 x 3/4-inch	629	1	12	7,548
3/4-inch	6	1.5	12	108
1-inch	14	2.5	12	420
1 1/2-inch	4	5	12	240
2-inch	6	8	12	576
3-inch	1	16	12	192
4-inch	2	25	12	600
			Total Equivalent Bills	**9,684**

Step 11a - Monthly Surcharge for 5/8 x 3/4-inch Meters for Debt Service

Loan Revenue Requirement	$	115,441.08	
Equivalent bills		9,684	
Monthly Surcharge for Loan	**$**	**11.92**	**5/8 x 3/4-inch monthly amount**

Step 11b - Monthly Surcharge for 5/8 x 3/4-inch Meters for DSR Portion of Loan

DSR Surcharge Revenue Requirement	$	23,417.69	
Equivalent bills		9,684	
Monthly Surcharge for DSR	**$**	**2.42**	**5/8 x 3/4-inch monthly amount**

Step 12a - Monthly Debt Service Surcharge Amounts for Larger Meters

Meter Size	5/8" Surcharge	NARUC Multiplier	Surcharge
5/8 x 3/4-inch	$ 11.92	1	$ 11.92
3/4-inch	11.92	1.5	17.88
1-inch	11.92	2.5	29.80
1.5-inch	11.92	5	59.60
2-inch	11.92	8	95.37
3-inch	11.92	16	190.73
4-inch	11.92	25	298.02

SURCHARGE CALCULATION

Step 12b - Monthly Debt Service Reserve Surcharge Amounts for Larger Meters

Meter Size	5/8" Surcharge	NARUC Multiplier	Surcharge
5/8 x 3/4-inch	$ 2.42	1	$ 2.42
3/4-inch	2.42	1.5	3.63
1-inch	2.42	2.5	6.05
1.5-inch	2.42	5	12.09
2-inch	2.42	8	19.35
3-inch	2.42	16	38.69
4-inch	2.42	25	60.45

Step 13a - Proof of Revenue for Debt Service Portion of Surcharge

Meter Size	Customers	Surcharge	Months	Annual Revenue
5/8 x 3/4-inch	629	$ 11.92	12	$ 89,978.24
3/4-inch	6	17.88	12	1,287.45
1-inch	14	29.80	12	5,006.74
1 1/2-inch	4	59.60	12	2,860.99
2-inch	6	95.37	12	6,866.38
3-inch	1	190.73	12	2,288.79
4-inch	2	298.02	12	7,152.48
				$ 115,441.08

Step 13a - Proof of Revenue for Debt Service Reserve Portion of Surcharge

Meter Size	Customers	Surcharge	Months	Annual Revenue
5/8 x 3/4-inch	629	$ 2.42	12	$ 18,252.45
3/4-inch	6	3.63	12	261.16
1-inch	14	6.05	12	1,015.64
1 1/2-inch	4	12.09	12	580.36
2-inch	6	19.35	12	1,392.87
3-inch	1	38.69	12	464.29
4-inch	2	60.45	12	1,450.91
				$ 23,417.69

Kyllo Development Corp. dba Bradshaw Mountainview Water Company
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EXHIBIT 5

PROJECTED INCOME STATEMENTS

			INCLUDING PROPOSED WIFA LOAN				
Acct. No.	**Operating Revenue**	**Company Proposed**	**Projected Year 1**	**Projected Year 2**	**Projected Year 3**	**Projected Year 4**	**Projected Year 5**
461	Metered Water Revenue	$ 453,008	$ 453,008	$ 453,008	$ 453,008	$ 453,008	$ 453,008
469	WIFA Loan Surcharge Revenue	-	138,859	138,859	138,859	138,859	138,859
474	Other Water Revenue	9,684	9,684	9,684	9,684	9,684	9,684
	Total Revenue	**$ 462,692**	**$ 601,551**	**$ 601,551**	**$ 601,551**	**$ 601,551**	**$ 601,551**
	Operating Expenses						
601	Salaries and Wages	$ -	$ -	$ -	$ -	$ -	$ -
610	Purchased Water	-	-	-	-	-	-
615	Purchased Power	33,228	34,889	36,634	38,466	40,389	42,408
618	Chemicals	1,455	1,455	1,575	1,575	1,650	1,650
620	Materials and Supplies	5,827	5,827	5,827	5,827	5,827	5,827
620.1	Repairs and Maintenance	36,492	37,500	38,000	37,500	38,500	38,500
620.2	Office Supplies and Expense	402	402	450	450	525	525
630	Contractual Services - Billing	71,209	71,209	72,277	72,277	73,361	73,361
632	Contractual Services - Accounting	53,052	53,052	55,705	55,705	58,490	58,490
633	Contractual Services - Legal	-	-	-	-	-	-
634	Contractual Services - Management Fees	69,440	70,482	70,482	71,539	71,539	71,539
635	Contractual Services - Water Testing	8,193	8,193	9,000	9,000	9,500	9,500
636	Contractual Services - Other	27,825	27,825	28,103	28,103	28,384	28,384
640	Rents	-	-	-	-	-	-
650	Transportation Expenses	18,084	18,084	18,265	18,447	18,632	18,818
657	Insurance - General Liability	6,958	6,958	7,028	7,098	7,169	7,241
670	Bad Debt Expense	2,821	2,821	2,821	2,821	2,821	2,821
675	Miscellaneous Expense	578	578	578	578	578	578
403	Depreciation Expense	13,098	69,877	69,350	69,350	69,134	64,545
408.1	Property Taxes	11,523	16,771	20,446	20,446	20,446	20,446
427.1	Customer Security Deposit Interest	707	707	707	707	707	707
	Total Operating Expenses	**$ 360,892**	**$ 426,630**	**$ 437,247**	**$ 439,889**	**$ 447,652**	**$ 445,340**
	Operating Income / (Loss)	**$ 101,800**	**$ 174,921**	**$ 164,304**	**$ 161,662**	**$ 153,899**	**$ 156,211**
	Other Income / (Expense)						
419	Interest and Dividend Income	$ -	$ -	$ -	$ -	$ -	$ -
421	Other Income / (Expense)	-	-	-	-	-	-
427	Interest Expense	-	-	-	-	-	-
427	Interest Expense - WIFA Loan	-	(85,110)	(82,894)	(80,518)	(77,970)	(75,238)
	Total Other Income / (Expense)	**$ -**	**$ (85,110)**	**$ (82,894)**	**$ (80,518)**	**$ (77,970)**	**$ (75,238)**
	Net Income / (Loss)	**$ 101,800**	**$ 89,811**	**$ 81,410**	**$ 81,144**	**$ 75,929**	**$ 80,972**
	Add depreciation expense	$ 13,098	$ 69,877	$ 69,350	$ 69,350	$ 69,134	$ 64,545
	Less Principal on Loan		(30,652)	(32,868)	(35,244)	(37,791)	(40,523)
	DSR Fund payments on Loan		(23,152)	(23,152)	(23,152)	(23,152)	(23,152)
	Meter Deposit Refunds	(2,467)	(3,900)	(3,917)	(3,500)	(3,200)	(3,500)
	Free Cash Flow	**$ 112,431**	**$ 101,983**	**$ 90,823**	**$ 88,598**	**$ 80,919**	**$ 78,341**
	Operating Margin (Operating Inc / Revenue)	22.00%	29.08%	27.31%	26.87%	25.58%	25.97%
	Debt Service Coverage Ratio (EBITDA/Debt Service		2.12	2.02	2.00	1.93	1.91
	Times Interest Earned (EBIT / Interest Exp)		2.06	1.99	2.02	1.98	2.09
	Cash Coverage Ratio (EBIT+Depr)/Int Exp))		2.88	2.82	2.87	2.86	2.93

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EXHIBIT 5

PROPERTY TAX PROJECTIONS

	Adjusted Test Year	At Proposed Rates	Projected Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5
Adjusted Test Year Revenue	$ 277,183	$ 277,183	$ 277,183	$ 601,551	$ 601,551	$ 601,551	$ 601,551
Adjusted Test Year Revenue	277,183	277,183	601,551	601,551	601,551	601,551	601,551
Rate Case/Financing Proposed Revenues	277,183	601,551	601,551	601,551	601,551	601,551	601,551
Average of Three Years of Revenue	277,183	385,306	493,428	601,551	601,551	601,551	601,551
Average of Three Years of Revenue, times 2	$ 554,366	$ 770,611	$ 986,856	$ 1,203,102	$1,203,102	$1,203,102	$1,203,102
Add:							
Construction Work in Progress at 10%	-	-	-	-	-	-	-
Deduct:							
Net Book Value of Transportation Equipment	-	-	-	-	-	-	-
Full Cash Value	$ 554,366	$ 770,611	$ 986,856	$ 1,203,102	$1,203,102	$1,203,102	$1,203,102
Assessment Ratio	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
Assessed Value	$ 85,927	$ 119,445	$ 152,963	$ 186,481	$ 186,481	$ 186,481	$ 186,481
Property Tax Rate	10.9642%	10.9642%	10.9642%	10.9642%	10.9642%	10.9642%	10.9642%
Projected Property Taxes	**$ 9,421**	**$ 13,096**	**$ 16,771**	**$ 20,446**	**$ 20,446**	**$ 20,446**	**$ 20,446**