

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01431A
Valle Verde Water Company
PO Box 85160
Tucson, AZ 85754

RECEIVED
APR 17 2013
AZ CORP COMM
Director - Utilities

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2012
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FOR COMMISSION USE

ANN 04	12
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4-24-13

COMPANY INFORMATION

Company Name (Business Name)	<u>Valle Verde Water Company</u>		
Mailing Address	<u>PO Box 85160</u>		
	<small>(Street)</small>		
<u>Tucson</u>	<u>AZ</u>	<u>85754</u>	
<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>	
<u>520-623-5172</u>	<u>520-792-0377</u>		
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>	
Email Address	<u>info@southwesternutility.com</u>		
Local Office Mailing Address	<u>PO Box 85160</u>		
	<small>(Street)</small>		
<u>Tucson</u>	<u>AZ</u>	<u>85754</u>	
<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>	
<u>520-623-5172</u>	<u>520-792-0377</u>		
<small>Local Office Telephone No. (Incl Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>	
Email Address	<u>info@southwesternutility.com</u>		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact:				
<input checked="" type="checkbox"/> Management Contact:	<u>Southwestern Utility Management, Inc.</u>	<u>Manager</u>		
	<small>(Name)</small>	<small>(Title)</small>		
<u>PO Box 85160</u>	<u>Tucson</u>	<u>AZ</u>	<u>85754</u>	
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>	
<u>520-623-5172</u>	<u>520-792-0377</u>			
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>		
Email Address	<u>info@southwesternutility.com</u>			
On Site Manager:	<u>Keith Dojaquez</u>			
	<small>(Name)</small>			
<u>PO Box 85160</u>	<u>Tucson</u>	<u>AZ</u>	<u>85754</u>	
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>	
<u>520-623-5172</u>				
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>		
Email Address	<u>info@southwesternutility.com</u>			

Personal Representative of the Estate of William Randall:

Beverly Salgado

(Name)

7701 S. Falster Avenue

Tucson

AZ

85747

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney:

William Wissler

(Name)

3180 E Grant Rd

Tucson

AZ

85716

(Street)

(City)

(State)

(Zip)

520-747-8001

520-326-9097

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

Sole Proprietor (S)

C Corporation (C) (Other than Association/Co-op)

Partnership (P)

Subchapter S Corporation (Z)

Bankruptcy (B)

Association/Co-op (A)

Receivership (R)

Limited Liability Company

Other (Describe) Estate

COUNTIES SERVED

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

APACHE

COCHISE

COCONINO

GILA

GRAHAM

GREENLEE

LA PAZ

MARICOPA

MOHAVE

NAVAJO

PIMA

PINAL

SANTA CRUZ

YAVAPAI

YUMA

STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	Description	Original Cost (OC)	Accumulated Depreciation (AD)	OCLD (OC less AD)
301	Organization			\$ -
302	Franchises	125	125	0
303	Land & Land Rights	86,093		86,093
304	Structures & Improvements	510,517	373,026	137,491
307	Wells & Springs	627,763	212,154	415,609
311	Pumping Equipment	384,987	292,177	92,810
320	Water Treatment Equipment	441,017	14,789	426,228
330	Distribution Reservoirs & Standpipes	681,106	247,977	433,129
331	Transmission & Distrib. Mains	945,615	517,691	427,924
333	Services	79,949	54,854	25,095
334	Meters & Meter Installations	101,768	95,047	6,722
335	Hydrants	36,714	33,886	2,829
336	Backflow Prevention Devices			-
339	Other Plant & Misc Equipment			-
340	Office Furniture & Equipment	16,552	16,552	-
340.1	Computers & Software			-
341	Transportation Equipment	71,364	71,364	-
343	Tools, Shop & Garage Equip.	12,063	10,876	1,187
344	Laboratory Equipment			-
345	Power Operated Equipment	44,869	29,381	15,488
346	Communications Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant	139,758	68,940	70,818
	TOTALS	\$ 4,180,261	\$ 2,038,838	\$ 2,141,422

Total Accumulated Depreciation amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	\$ -		\$ -
302	Franchises	125		-
303	Land & Land Rights	86,093	N/A	-
304	Structures & Improvements	510,517	3.33%	16,933
307	Wells & Springs	627,763	3.33%	20,851
311	Pumping Equipment	384,987	12.5000%	44,375
320	Water Treatment Equipment ¹	441,017	3.33%	7,482
330	Distribution Reservoirs & Standpipes	681,106	2.2200%	13,877
331	Transmission & Distrib. Mains	945,615	2.0000%	16,711
333	Services ²	79,949	3.33%	954
334	Meters & Meter Installations	101,768	8.3300%	7,886
335	Hydrants	36,714	2.0000%	717
336	Backflow Prevention Devices	-	6.6700%	-
339	Other Plant & Misc Equipment	-	6.6700%	-
340	Office Furniture & Equipment	16,552	6.6700%	-
340.1	Computers & Software	-	33.3300%	-
341	Transportation Equipment	71,364	20.0000%	5,474
343	Tools, Shop & Garage Equip.	12,063	5.0000%	603
344	Laboratory Equipment	-	10.0000%	-
345	Power Operated Equipment	44,869	5.0000%	2,243
346	Communications Equipment	-	10.0000%	-
347	Miscellaneous Equipment	-	10.0000%	-
348	Other Tangible Plant	139,758	10.0000%	13,976
	TOTALS	\$ 4,180,261		\$ 152,082

CIAC Amortization (62,873)

Net Depreciation Expense **\$ 89,209**¹ \$4,533 of the total is fully depreciated² \$93,702 of the total is fully depreciated

Depreciation Expense amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 21,370	\$ 40,439
134	Working Funds		
135	Temporary Cash Investments	22,760	18,801
141	Customer Accounts Receivable	7,894	13,153
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 52,024	\$ 72,393
	FIXED ASSETS		
101	Utility Plant in Service	\$ 3,146,820	\$ 4,180,261
103	Property Held for Future Use		
105	Construction Work In Progress	57,164	
108	Accumulated Depreciation - Utility Plant	(1,886,756)	(2,038,838)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 1,317,228	\$ 2,141,423
	TOTAL ASSETS	\$ 1,369,252	\$ 2,213,816

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

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 129,738	\$ 242,739
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	28,401	24,348
236	Accrued Taxes	6,306	7,351
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	\$ 3,616	889
	TOTAL CURRENT LIABILITIES	\$ 168,061	\$ 275,327
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 85,865	\$ 400,331
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$ 1,455,978	\$ 1,435,957
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction	830,721	1,261,919
272	Less: Amortization of contributions	(151,459)	(229,119)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 2,135,240	\$ 2,468,757
	TOTAL LIABILITIES	\$ 2,389,166	\$ 3,144,415
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ -	\$ -
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(1,019,914)	(930,599)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (1,019,914)	\$ (930,599)
	TOTAL LIABILITIES AND CAPITAL	\$ 1,369,252	\$ 2,213,816

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 465,819	\$ 457,207
461.1	Surcharge Revenue	50,600	40,277
474	Other Water Revenues	16,377	15,584
	TOTAL REVENUES	\$ 532,796	\$ 513,068
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 91,147	\$ 98,052
610	Purchased Water	3,625	1,657
615	Purchased Power	55,530	33,909
618	Chemicals	2,926	1,161
620	Repairs and Maintenance	24,491	18,882
621	Office Supplies & Expense	26,652	27,333
630	Outside Services	145,308	151,235
635	Water Testing	12,189	7,584
641	Rents		
650	Transportation Expenses	6,515	1,140
657	Insurance - General Liability	9,362	13,290
659	Insurance - Health and Life		
665	Regulatory Expenses	4,124	
675	Miscellaneous Expense	39,093	2,626
403	Depreciation Expense	90,348	89,209
408	Taxes Other Than Income	13,576	9,157
408.11	Property Taxes	14,942	9,780
409	Income Tax		
427.2	Customer Security Deposit Interest		536
	TOTAL OPERATING EXPENSES	\$ 539,828	\$ 465,552
	OPERATING INCOME/(LOSS)	\$ (7,032)	\$ 47,516
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income		
421	Other Income	3,438	800
427	Interest Expense	(911)	(2,513)
434	Extraordinary Deductions		(299,524)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 2,527	\$ (301,237)
	NET INCOME/(LOSS)	\$ (4,505)	\$ (253,721)

Company Name: Valle Verde Water Company

UTILITY PLANT IN SERVICE

Acct. No.	Description	Original Cost (OC)	Accumulated Depreciation (AD)	OCLD (OC less AD)
301	Organization			\$ -
302	Franchises	125	125.00	0
303	Land & Land Rights	86,093		86,093
304	Structures & Improvements	510,517	373,026	137,491
307	Wells & Springs	627,763	212,154	415,609
311	Pumping Equipment	384,187	291,377	92,810
320	Water Treatment Equipment	441,017	14,789	426,228
330	Distribution Reservoirs & Standpipes	681,106	247,977	433,129
331	Transmission & Distrib. Mains	945,615	517,691	427,924
333	Services	79,949	54,854	25,095
334	Meters & Meter Installations	101,768	95,047	6,722
335	Hydrants	36,714	33,886	2,829
336	Backflow Prevention Devices			-
339	Other Plant & Misc Equipment			-
340	Office Furniture & Equipment	16,552	16,552	-
340.1	Computers & Software			-
341	Transportation Equipment	71,364	71,364	-
343	Tools, Shop & Garage Equip.	12,063	10,876	1,187
344	Laboratory Equipment			-
345	Power Operated Equipment	44,869	29,381	15,488
346	Communications Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant	139,758	68,940	70,818
	TOTALS	\$ 4,179,461	\$ 2,038,038	\$ 2,141,422

Total Accumulated Depreciation amount goes on the Balance Sheet Acct. No. 108

Company Name: Valle Verde Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	\$ -		\$ -
302	Franchises	125		-
303	Land & Land Rights	86,093	N/A	-
304	Structures & Improvements	510,517	3.33%	16,933
307	Wells & Springs	627,763	3.33%	20,851
311	Pumping Equipment	384,187	12.5000%	44,375
320	Water Treatment Equipment ¹	441,017	3.33%	7,482
330	Distribution Reservoirs & Standpipes	681,106	2.2200%	13,877
331	Transmission & Distrib. Mains	945,615	2.0000%	16,711
333	Services ²	79,949	3.33%	954
334	Meters & Meter Installations	101,768	8.3300%	7,886
335	Hydrants	36,714	2.0000%	717
336	Backflow Prevention Devices	-	6.6700%	-
339	Other Plant & Misc Equipment	-	6.6700%	-
340	Office Furniture & Equipment	16,552	6.6700%	-
340.1	Computers & Software	-	33.3300%	-
341	Transportation Equipment	71,364	20.0000%	5,474
343	Tools, Shop & Garage Equip.	12,063	5.0000%	603
344	Laboratory Equipment	-	10.0000%	-
345	Power Operated Equipment	44,869	5.0000%	2,243
346	Communications Equipment	-	10.0000%	-
347	Miscellaneous Equipment	-	10.0000%	-
348	Other Tangible Plant	139,758	10.0000%	13,976
	TOTALS	\$ 4,179,461		\$ 152,082

CIAC Amortization (62,873)

Net Depreciation Expense **\$ 89,209**

¹ \$4,533 of the total is fully depreciated

² \$93,702 of the total is fully depreciated

Depreciation Expense amount goes on the Comparative Statement of Income and Expense Acct. No. 403.

Company Name: Valle Verde Water Company

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 21,370	\$ 40,439
134	Working Funds		
135	Temporary Cash Investments	22,760	18,801
141	Customer Accounts Receivable	29,455	32,637
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 73,585	\$ 91,876
	FIXED ASSETS		
101	Utility Plant in Service	\$ 3,151,603	\$ 4,179,461
103	Property Held for Future Use		
105	Construction Work In Progress	57,164	
108	Accumulated Depreciation - Utility Plant	(1,577,295)	(2,038,038)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 1,631,472	\$ 2,141,423
	TOTAL ASSETS	\$ 1,705,057	\$ 2,233,299

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

Company Name: Valle Verde Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 122,508	\$ 229,691
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	28,401	24,439
236	Accrued Taxes	6,306	4,081
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	\$ 3,616	3,270
	TOTAL CURRENT LIABILITIES	\$ 160,831	\$ 261,481
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 85,865	\$ 401,220
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$ 1,455,978	\$ 1,435,957
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction	830,721	1,261,919
272	Less: Amortization of contributions	(151,459)	(229,119)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 2,135,240	\$ 2,468,757
	TOTAL LIABILITIES	\$ 2,381,936	\$ 3,131,459
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ -	\$ -
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(676,879)	(898,159)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (676,879)	\$ (898,159)
	TOTAL LIABILITIES AND CAPITAL	\$ 1,705,057	\$ 2,233,299

Company Name: Valle Verde Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 545,210	\$ 532,662
462	Surcharge Revenue		
474	Other Water Revenues	16,377	11,734
	TOTAL REVENUES	\$ 561,587	\$ 544,396
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 91,147	\$ 107,209
610	Purchased Water	3,625	1,657
615	Purchased Power	55,530	33,909
618	Chemicals	2,926.00	1,161
620	Repairs and Maintenance	24,491	18,882
621	Office Supplies & Expense	26,652	27,333
630	Outside Services	145,308	151,234
635	Water Testing	12,189	7,584
641	Rents		
650	Transportation Expenses	6,515	1,140
657	Insurance - General Liability	9,362	13,290
659	Insurance - Health and Life		
665	Regulatory Expenses	4,124	
675	Miscellaneous Expense	39,093	7,476
403	Depreciation Expense	21,779	89,209
408	Taxes Other Than Income	13,576	
408.11	Property Taxes	14,942	9,780
409	Income Tax		
427.2	Customer Security Deposit Interest		536
	TOTAL OPERATING EXPENSES	\$ 471,259	\$ 470,401
	OPERATING INCOME/(LOSS)	\$ 90,328	\$ 73,995
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income		
421	Non-Utility Income	3,438	1,112
427	Interest Expense	(911)	(2,513)
434	Extraordinary Deductions		(293,873)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 2,527	\$ (295,275)
	NET INCOME/(LOSS)	\$ 92,855	\$ (221,280)

Company Name: Valle Verde Water Company

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	6/24/2011			
Source of Loan	WIFA			
ACC Decision No.	71899			
Reason for Loan	Major improvements & upgrades to system			
Dollar Amount Issued	\$ 1,063,478		\$ -	\$ -
Amount Outstanding	\$ 401,220		\$ -	\$ -
Date of Maturity	6/1/2031			
Interest Rate	0.9375% interest and 3.0% fees		%	%
Current Year Interest	\$ 1,596		\$ -	\$ -
Current Year Principal	\$ 68,356	\$ -	\$ -	\$ -

Meter Deposit Balance at Test Year End \$ 3,575

Meter Deposits Refunded During the Test Year \$ 192

Company Name: Valle Verde Water Company		
Name of System: East System	ADEQ Public Water System Number: 12-009	

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-617053 (well #1)	Not in use		105	12	4	1954
55-617054 (well #2)	30	350	260	16	6	1972
55-617055 (well #3)	15	130	220	12	3	1971
55-513789 (well #4)	Not in use		203	12	3	1987
55-801847 (well #7)	Not in use		93	10	4	1933

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS

Horsepower	Quantity
15.0	1
7.5	1

FIRE HYDRANTS

Quantity Standard	Quantity Other
13	

STORAGE TANKS

Capacity	Quantity
N/A	

PRESSURE TANKS

Capacity	Quantity
7,000	1
3,000	2
7,500	1
10,000	1
2,000	1
200	1

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

Company Name: Valle Verde Water Company			
Name of System: East System	ADEQ Public Water System Number:	12-009	

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	4,361
3		
4	PVC	38,391
5		
6	PVC	4,117
8		
10		
12		
6	PVC	1,600
6	PVC	2,350
4	PVC	100
6	DIP	189

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	319
3/4	411
1	38
1 1/2	3
2	10
Comp. 3	5
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

STRUCTURES:

Office 12' x 12'

Chlorinator room 3' x 5'

Well #1 building 24' x 24'

House 32' x '76

OTHER:

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

Company Name: Valle Verde Water Company

Name of System: West System

ADEQ Public Water System Number: 12-025

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-500951 (well #5)	50	350	400	16	6	1982
55-502001 (well #6)	Not in use	Not in use	450	16	6	1982
55-582348 (well #10)	30	450	290	12	6	2001

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

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

BOOSTER PUMPS

Horsepower	Quantity
15/well #10	2
30/well #10	3
25/well #6 site	2
50/well #6 site	1
100/well #6 site	2

FIRE HYDRANTS

Quantity Standard	Quantity Other
32	

STORAGE TANKS

800,000/well #6 site	1
200,000/well #10	1

PRESSURE TANKS

Capacity	Quantity
10,000/well #5 & #6	2
7,000	1

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

Company Name: Valle Verde Water Company			
Name of System: West System		ADEQ Public Water System Number:	12-025

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	1,222
5		
6	PVC	2,913
8	PVC	10,372
10		
12	PVC	1,770
8	PVC	80 (2012)

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	69
3/4	5
1	9
1 1/2	
2	10
Comp. 3	2
Turbo 3	
Comp. 4	1
Turbo 4	
Comp. 6	
Turbo 6	

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

TREATMENT EQUIPMENT:

2 Chlorinators

STRUCTURES:

OTHER:

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

COMPANY NAME: <u>Valle Verde Water Company</u>	
Name of System: <u>East System</u>	ADEQ Public Water System Number: <u>12-009</u>

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	674	4090	4268	0
FEBRUARY	658	3812	5216	0
MARCH	673	4316	4995	0
APRIL	672	3942	4526	0
MAY	684	4284	4827	0
JUNE	672	4849	6832	0
JULY	680	4350	3755	0
AUGUST	674	4807	3122	0
SEPTEMBER	671	4172	7847	0
OCTOBER	669	4333	7011	0
NOVEMBER	672	4540	4794	0
DECEMBER	672	13424	5246	0
TOTALS →		60919	62439	0

What is the level of arsenic for each well on your system? 0.009 & 0.003 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ___ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No

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

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

If yes, provide the GPCPD amount: 121

Note: If you are filing for more than one system, please provide separate data sheets for each system. See Accountant's Compilation Report

Company Name: Valle Verde Water Company
 Name of System: West System - ADEQ Public Water System Number: 12-025

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2012

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	84	1,970	1,386	-
FEBRUARY	89	1,889	2,533	-
MARCH	89	1,736	1,907	-
APRIL	89	2,567	2,685	-
MAY	90	2,983	3,232	-
JUNE	91	5,057	5,222	-
JULY	91	3,464	4,689	-
AUGUST	91	3,608	2,698	-
SEPTEMBER	90	1,775	1,802	-
OCTOBER	91	1,684	1,862	-
NOVEMBER	91	2,682	2,361	-
DECEMBER	91	2,262	2,361	-
TOTALS		31,677	32,738	-

What is the level of arsenic for each well on your system? 0.008, 0.013, 0.003 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for hours

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

YES NO N/A

Is the water utility located in an ADWR Active Management Area (AMA)?

YES NO

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

YES NO

If Yes, please provide the GPCPD amount: 121

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

Company Name: Valle Verde Water Company	ADEQ Public Water System Number:	12-009
Name of System: East System		

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		17	
FEBRUARY		21	
MARCH		20	
APRIL		16	
MAY		18	
JUNE		27	
JULY		26	
AUGUST		16	
SEPTEMBER		25	
OCTOBER		17	
NOVEMBER		14	
DECEMBER		-	
TOTALS	-	217	-

OTHER (description):

Company Name: Valle Verde Water Company

Name of System: West System

ADEQ Public Water System Number:

12-025

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		1	
FEBRUARY		4	
MARCH		3	
APRIL		1	
MAY		3	
JUNE		2	
JULY		3	
AUGUST		2	
SEPTEMBER		2	
OCTOBER		-	
NOVEMBER		1	
DECEMBER		-	
TOTALS	-	22	-

OTHER (description):

COMPANY NAME Valle Verde Water Company

YEAR ENDING 12/31/12

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2012 was:

\$8,538.58

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. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 17 2013

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Bonnie O'Connor, Manager
COMPANY NAME	Valle Verde Water Company

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	2012

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

520-624-1460

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

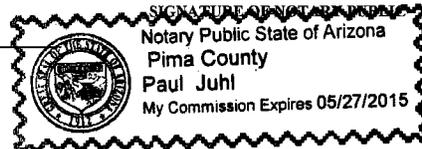
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

(SEAL)

COUNTY NAME <u>Pima</u>	
MONTH <u>April</u>	<u>2013</u>

MY COMMISSION EXPIRES 5/27/13



INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	\$	-
Estimated or Actual Federal Tax Liability	\$	-
State Taxable Income Reported	\$	-
Estimated or Actual State Tax Liability	\$	-
Amount of Grossed-Up Contributions/Advances:		
Amount of Contributions/Advances	\$	-
Amount of Gross-Up Tax Collected		-
Total Grossed-Up Contributions/Advances	\$	-

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certified that the Utility has refunded to Payers all gross-up tax refunds reported in the prior years annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company, or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 17 2013

AZ CORP COMM
Director - Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Bonnie O'Connor, Manager
COMPANY NAME	Valle Verde Water Company

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2012

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 2012 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>594,953</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 49,445
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)**


 SIGNATURE OF OWNER OR OFFICIAL

 520-624-1460
 TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

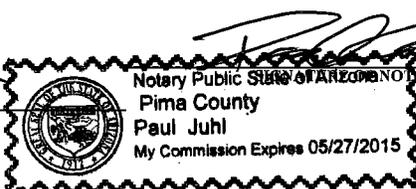
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

COUNTY NAME	<u>Pima</u>	
MONTH	<u>April</u>	.20 <u>13</u>

(SEAL)

MY COMMISSION EXPIRES 5/27/15



RECEIVED

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE Intrastate Revenues Only

APR 17 2013

AZ CORP COMM Director - Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

Form with fields: COUNTY OF (COUNTY NAME) Pima, NAME (OWNER OR OFFICIAL) Bonnie O'Connor, TITLE Manager, COMPANY NAME Valle Verde Water Company

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

FOR THE YEAR ENDING

Table with columns: MONTH, DAY, YEAR. Values: 12, 31, 2012

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 2012 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 593,273

THE AMOUNT IN BOX AT LEFT INCLUDES \$ 49,383 IN SALES TAXES BILLED, OR COLLECTED)

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

Handwritten signature of Bonnie O'Connor

SIGNATURE OF OWNER OR OFFICIAL

520-624-1460

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

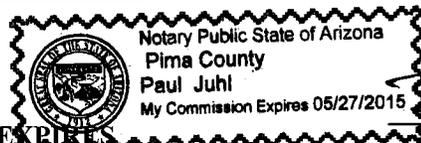
THIS

15th

DAY OF

Form with fields: NOTARY PUBLIC NAME Paul B. Juhl, COUNTY NAME Pima, MONTH April, 2013

(SEAL)



MY COMMISSION EXPIRES

5/27/2015

Handwritten signature of Paul B. Juhl

SIGNATURE OF NOTARY PUBLIC