

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01431A
Valle Verde Water Company
P.O. Box 85160
Tucson, AZ 85754

RECEIVED

APR 16 2014

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2013
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FOR COMMISSION USE

ANN 04	13
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S-1-14

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>Vincente Silva</u>			
	<small>(Name)</small>			
<u>627 Frontage Road</u>	<u>Nogales</u>	<u>AZ</u>	<u>85621</u>	
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>	
<u>(520) 300-1234</u>				
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>		
Email Address	_____			

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:

<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 checked="" type="checkbox"/> Other (Describe) <u>Estate</u>	

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 checked="" type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

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	-
303	Land & Land Rights	86,093		86,093
304	Structures & Improvements	510,517	390,026	120,490
307	Wells & Springs	627,763	233,058	394,705
311	Pumping Equipment	390,919	317,817	73,102
320	Water Treatment Equipment	522,420	30,737	491,683
330	Distribution Reservoirs & Standpipes	681,106	265,339	415,767
331	Transmission & Distrib. Mains	1,236,499	539,512	696,988
333	Services	79,950	55,814	24,136
334	Meters & Meter Installations	108,505	95,999	12,506
335	Hydrants	36,714	34,620	2,094
336	Backflow Prevention Devices			-
339	Other Plant & Misc Equipment			-
340	Office Furniture & Equipment	16,552	16,552	-
340.1	Computers & Software			-
341	Transportation Equipment	16,881	16,281	600
343	Tools, Shop & Garage Equip.	12,063	11,479	584
344	Laboratory Equipment			-
345	Power Operated Equipment	44,869	31,625	13,244
346	Communications Equipment			-
347	Miscellaneous Equipment			-
348	Other Tangible Plant	139,758	82,916	56,842
	TOTALS	\$ 4,510,735	\$ 2,121,902	\$ 2,388,833

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%	17,000
307	Wells & Springs	627,763	3.33%	20,905
311	Pumping Equipment ¹	390,919	12.5000%	25,640
320	Water Treatment Equipment ²	522,420	3.33%	15,948
330	Distribution Reservoirs & Standpipes	681,106	2.2200%	17,362
331	Transmission & Distrib. Mains	1,236,499	2.0000%	21,821
333	Services ³	79,950	3.33%	960
334	Meters & Meter Installations ⁴	108,505	8.3300%	953
335	Hydrants	36,714	2.0000%	734
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 ⁵	16,881	20.0000%	400
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	\$ 4,510,735		\$ 138,546

CIAC Amortization (89,763)

Net Depreciation Expense **\$ 48,783**

¹ \$292,876 of the total is fully depreciated

² \$4,533 of the total is fully depreciated

³ \$51,108 of the total is fully depreciated

⁴ \$93,702 of the total is fully depreciated

⁵ \$14,881 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	\$ 40,439	\$ 33,958
134	Working Funds		
135	Temporary Cash Investments	18,801	37,603
141	Customer Accounts Receivable	13,153	39,116
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 72,393	\$ 110,678
	FIXED ASSETS		
101	Utility Plant in Service	\$ 4,180,261	\$ 4,510,735
103	Property Held for Future Use		
105	Construction Work In Progress		
108	Accumulated Depreciation - Utility Plant	(2,038,838)	(2,121,902)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 2,141,423	\$ 2,388,833
	TOTAL ASSETS	\$ 2,213,816	\$ 2,499,511

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	\$ 242,739	\$ 212,834
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	24,348	25,303
236	Accrued Taxes	7,351	6,585
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	889	
	TOTAL CURRENT LIABILITIES	\$ 275,327	\$ 244,722
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 400,331	\$ 819,790
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$ 1,435,957	\$ 368,409
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction	1,261,919	2,328,602
272	Less: Amortization of contributions	(229,119)	(318,882)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 2,468,757	\$ 2,378,129
	TOTAL LIABILITIES	\$ 3,144,415	\$ 3,442,641
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ -	\$ -
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(930,599)	(943,130)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (930,599)	\$ (943,130)
	TOTAL LIABILITIES AND CAPITAL	\$ 2,213,816	\$ 2,499,511

Company Name: Valle Verde Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 457,207	\$ 411,103
461.1	Surcharge Revenue	40,277	30,297
474	Other Water Revenues	15,584	15,458
	TOTAL REVENUES	\$ 513,068	\$ 456,858
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 98,052	\$ 101,032
610	Purchased Water	1,657	
615	Purchased Power	33,909	38,473
618	Chemicals	1,161	2,950
620	Repairs and Maintenance	18,882	24,646
621	Office Supplies & Expense	27,333	38,798
630	Outside Services	151,235	126,185
635	Water Testing	7,584	6,756
641	Rents		
650	Transportation Expenses	1,140	19,849
657	Insurance - General Liability	13,290	16,305
659	Insurance - Health and Life		
665	Regulatory Expenses		6,655
675	Miscellaneous Expense	2,626	2,900
403	Depreciation Expense	89,209	48,783
408	Taxes Other Than Income	9,157	9,360
408.11	Property Taxes	9,780	19,634
409	Income Tax		
427.2	Customer Security Deposit Interest	536	632
	TOTAL OPERATING EXPENSES	\$ 465,552	\$ 462,958
	OPERATING INCOME/(LOSS)	\$ 47,516	\$ (6,100)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ -	\$ -
421	Other Income	800	130
427	Interest Expense	(2,513)	(6,562)
434	Extraordinary Deductions	(299,524)	
	TOTAL OTHER INCOME/(EXPENSE)	\$ (301,237)	\$ (6,432)
	NET INCOME/(LOSS)	\$ (253,721)	\$ (12,532)

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	Improvements & upgrades			
Dollar Amount Issued	\$ 1,063,478	\$ -	\$ -	\$ -
Amount Outstanding	\$ 819,790	\$ -	\$ -	\$ -
Date of Maturity	6/1/2031			
Interest Rate	0.9375%	%	%	%
Current Year Interest	\$ 6,858	\$ -	\$ -	\$ -
Current Year Principal	\$ 53,076	\$ -	\$ -	\$ -

Meter Deposit Balance at Test Year End \$ 3,358

Meter Deposits Refunded During the Test Year \$ 217

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
190,000	1

PRESSURE TANKS	
Capacity	Quantity
2,000 (Well 4)	1
3,000 (Old Well 3)	1
7,000 (Well 3)	1
10,000 (Well 2)	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	38,491
5		
6	PVC	8,217
6	DIP	344
8		
12		

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:

2 Chlorinators

GAC System

STRUCTURES:

Office - 12' x 12'

Chlorinator room - 3' x 5'

Well #1 building - 24' x 24'

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	1996
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)	2
50 (Well 6)	1
100 (Well 6)	2

FIRE HYDRANTS	
Quantity Standard	Quantity Other
32	

STORAGE TANKS	
Capacity	Quantity
800,000 (Well 6)	1
200,000 (Well 10)	1

PRESSURE TANKS	
Capacity	Quantity
10,000 (Wells 5 & 6)	2
5,000	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	4,690
6	DIP	133
8	PVC	10,452
10		
12	PVC	1,770

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

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	678	3,631	4,341	-
FEBRUARY	672	4,600	5,510	-
MARCH	677	3,343	3,881	-
APRIL	683	3,934	5,866	-
MAY	686	4,127	7,938	-
JUNE	686	5,475	9,224	-
JULY	681	4,738	5,491	-
AUGUST	680	4,659	5,994	-
SEPTEMBER	686	4,459	4,848	-
OCTOBER	683	3,979	5,134	-
NOVEMBER	683	4,121	5,205	-
DECEMBER	683	3,827	4,192	-
TOTALS		50,893	67,624	-

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 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: 12-025
Name of System: West System	

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2013

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	92	1,616	2,727	-
FEBRUARY	91	2,193	1,497	-
MARCH	91	1,533	1,905	-
APRIL	91	739	1,050	-
MAY	92	2,592	1,100	-
JUNE	92	3,947	1,735	-
JULY	92	3,287	5,114	-
AUGUST	92	1,367	2,158	-
SEPTEMBER	92	1,451	2,314	-
OCTOBER	92	1,605	1,546	-
NOVEMBER	92	4,087	4,676	-
DECEMBER	92	2,167	2,454	-
TOTALS		26,584	28,276	-

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

Name of System: East System

ADEQ Public Water System Number:

12-009

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		26	
FEBRUARY		22	
MARCH		35	
APRIL		20	
MAY		17	
JUNE		31	
JULY		17	
AUGUST		34	
SEPTEMBER		31	
OCTOBER		26	
NOVEMBER		19	
DECEMBER		15	
TOTALS	-	293	-

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		-	
FEBRUARY		-	
MARCH		3	
APRIL		3	
MAY		2	
JUNE		3	
JULY		4	
AUGUST		2	
SEPTEMBER		2	
OCTOBER		5	
NOVEMBER		1	
DECEMBER		1	
TOTALS	-	26	-

OTHER (description):

COMPANY NAME Valle Verde Water Company **YEAR ENDING 12/31/13**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2013 was: \$19,634

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 16 2014

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Santa Cruz</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Bonnie O'Connor, Manager</u>
COMPANY NAME	<u>Valle Verde 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
<u>12</u>	<u>31</u>	<u>2013</u>

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

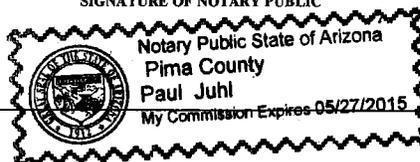
COUNTY NAME	<u>Pima</u>	
MONTH	<u>April</u>	<u>2014</u>

(SEAL)



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 5/27/15



COMPANY NAME Valle Verde Water Company

YEAR ENDING 12/31/13

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	\$	-	return extended
Estimated or Actual Federal Tax Liability	\$	-	estimated

State Taxable Income Reported	\$	-	return extended
Estimated or Actual State Tax Liability	\$	-	estimated

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

APR 16 2014

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

Form with fields: COUNTY OF (COUNTY NAME) Santa Cruz, 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

Table with columns: MONTH 12, DAY 31, YEAR 2013

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 2013 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ 500,667

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 43,809 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 and TELEPHONE NUMBER 570-624-146

SUBSCRIBED AND SWORN TO BEFORE ME

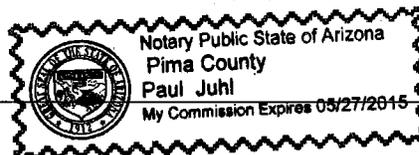
A NOTARY PUBLIC IN AND FOR THE COUNTY OF THIS 15th DAY OF

COUNTY NAME Pima, MONTH April, 2014

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 5/27/15



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

RECEIVED

APR 16 2014

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Santa Cruz	
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

MONTH	DAY	YEAR
12	31	2013

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 2013 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>373,497</u>

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 28,300
IN SALES TAXES BILLED, OR COLLECTED)

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


SIGNATURE OF OWNER OR OFFICIAL

520-624-1460
TELEPHONE NUMBER

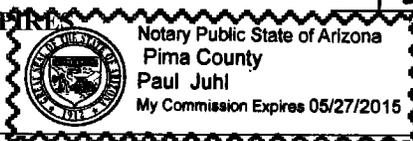
SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 15th DAY OF

NOTARY PUBLIC NAME <u>Paul Juhl</u>
COUNTY NAME <u>Pima</u>
MONTH <u>April</u> .20 <u>14</u>

(SEAL)

MY COMMISSION EXPIRES

5/27/15




SIGNATURE OF NOTARY PUBLIC