

ANNUAL REPORT

Of

Company Name: Verde Santa Fe Wastewater Company, Inc.
7581 E. Academy Blvd., Ste. 229

Mailing Address: Denver CO
80230

Docket No.: SW-03437A
For the Year Ended: 12/31/19

**RECEIVED
BY EMAIL**

4/15/2020

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date: 5/20/2020

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Verde Santa Fe Wastewater Company, Inc.
A Class

D

 Utility

For the Calendar Year Ended: 12/31/19

Primary Address:

7581 E Academy Blvd; Suite 229								
City:	<table border="1"><tr><td>Denver</td></tr></table>	Denver	State:	<table border="1"><tr><td>Colorado</td></tr></table>	Colorado	Zip Code:	<table border="1"><tr><td>80230</td></tr></table>	80230
Denver								
Colorado								
80230								

Telephone Number:

720.949.1384

Date of Original Organization of Utility:

8/12/1997

Person to whom correspondence should be addressed concerning this report:

Name:

Jason Williamson

Telephone No. :

720.949.1384

Address:

7581 E Academy Blvd; Suite 229								
City:	<table border="1"><tr><td>Denver</td></tr></table>	Denver	State:	<table border="1"><tr><td>Colorado</td></tr></table>	Colorado	Zip Code:	<table border="1"><tr><td>80230</td></tr></table>	80230
Denver								
Colorado								
80230								

Email:

jw@pivotalcompanies.com

Name:	<table border="1"><tr><td> </td></tr></table>							
Telephone No. :	<table border="1"><tr><td> </td></tr></table>							
Address:	<table border="1"><tr><td> </td></tr></table>							
City:	<table border="1"><tr><td> </td></tr></table>		State:	<table border="1"><tr><td> </td></tr></table>		Zip Code:	<table border="1"><tr><td> </td></tr></table>	
Email:	<table border="1"><tr><td> </td></tr></table>							

Name:	<table border="1"><tr><td> </td></tr></table>							
Telephone No. :	<table border="1"><tr><td> </td></tr></table>							
Address:	<table border="1"><tr><td> </td></tr></table>							
City:	<table border="1"><tr><td> </td></tr></table>		State:	<table border="1"><tr><td> </td></tr></table>		Zip Code:	<table border="1"><tr><td> </td></tr></table>	
Email:	<table border="1"><tr><td> </td></tr></table>							

Name:	<table border="1"><tr><td> </td></tr></table>							
Telephone No. :	<table border="1"><tr><td> </td></tr></table>							
Address:	<table border="1"><tr><td> </td></tr></table>							
City:	<table border="1"><tr><td> </td></tr></table>		State:	<table border="1"><tr><td> </td></tr></table>		Zip Code:	<table border="1"><tr><td> </td></tr></table>	
Email:	<table border="1"><tr><td> </td></tr></table>							

Name:	<table border="1"><tr><td> </td></tr></table>							
Telephone No. :	<table border="1"><tr><td> </td></tr></table>							
Address:	<table border="1"><tr><td> </td></tr></table>							
City:	<table border="1"><tr><td> </td></tr></table>		State:	<table border="1"><tr><td> </td></tr></table>		Zip Code:	<table border="1"><tr><td> </td></tr></table>	
Email:	<table border="1"><tr><td> </td></tr></table>							

Ownership:

"C" Corporation

Counties Served:

Yavapai

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Verde Santa Fe Wastewater Company, Inc.

Important changes during the year
--

	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
--	---

	If yes, please provide specific details in the box below.
--	---

--	--

	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
--	---

	If yes, please provide specific details in the box below.
--	---

--	--

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	\$30,909			\$30,909		\$30,909
352	Franchises	0			0		0
353	Land and Land Rights	45,400			45,400		45,400
354	Structures and Improvements	131,104	3,544		134,649	64,845	69,803
355	Power Generation Equipment	0			0		0
360	Collections Wastewater - Force	0			0		0
361	Collections Wastewater - Gravity	334,944			334,944	250,940	84,004
362	Special Collecting Structures	0			0		0
363	Services to Customers	73,179			73,179	55,793	17,386
364	Flow Measuring Devices	25,892	17,858		43,750	16,363	27,387
365	Flow Measuring Installations	0			0		0
366	Reuse Services	0			0		0
367	Reuse Meters & Meter Installations	0			0		0
370	Receiving Wells	0			0		0
371	Pumping Equipment	223,423	24,464		247,887	220,570	27,318
374	Reuse Distribution Reservoirs	0			0		0
375	Reuse Trans. And Distr. Equipment	0			0		0
380	Treatment and Disposal Equipment	909,226			909,226	576,975	332,251
381	Plant Sewers	0			0		0
382	Outfall Sewer Lines	0			0		0
389	Other Plant and Misc. Equipment	0			0		0
390	Office Furniture and Equipment	6,235			6,235	5,708	527
390.1	Computer & Software	0			0		0
391	Transportation Equipment	0			0		0
392	Stores Equipment	0			0		0
393	Tools, Shop and Garage Equipment	8,227			8,227	4,682	3,545
394	Laboratory Equipment	6,613			6,613	3,026	3,587
395	Power Operated Equipment	0			0		0
396	Communication Equipment	0			0		0
397	Miscellaneous Equipment	0			0		0
398	Other Tangible Plant	89,005			89,005	80,365	8,640
	Totals	\$1,884,156	\$45,866	\$0	\$1,930,022	\$1,279,266	\$650,757

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Depreciation Expense for the Current Year (Wastewater)
12/31/19

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$30,909	\$0	\$0	\$30,909			\$0
352	Franchises	0	0	0	0			0
353	Land and Land Rights	45,400	0	0	45,400			0
354	Structures and Improvements	131,104	3,544	0	134,649		3.33%	4,425
355	Power Generation Equipment	0	0	0	0			0
360	Collections Wastewater - Force	0	0	0	0			0
361	Collections Wastewater - Gravity	334,944	0	0	334,944		2.00%	6,699
362	Special Collecting Structures	0	0	0	0			0
363	Services to Customers	73,179	0	0	73,179		2.00%	1,464
364	Flow Measuring Devices	25,892	17,858	0	43,750		10.00%	3,482
365	Flow Measuring Installations	0	0	0	0			0
366	Reuse Services	0	0	0	0			0
367	Reuse Meters & Meter Installations	0	0	0	0			0
370	Receiving Wells	0	0	0	0			0
371	Pumping Equipment	223,423	24,464	0	247,887		12.50%	29,457
374	Reuse Distribution Reservoirs	0	0	0	0			0
375	Reuse Trans. And Distr. Equipment	0	0	0	0			0
380	Treatment and Disposal Equipment	909,226	0	0	909,226		5.00%	45,461
381	Plant Sewers	0	0	0	0			0
382	Outfall Sewer Lines	0	0	0	0			0
389	Other Plant and Misc. Equipment	0	0	0	0			0
390	Office Furniture and Equipment	6,235	0	0	6,235		6.67%	416
390.1	Computer & Software	0	0	0	0			0
391	Transportation Equipment	0	0	0	0			0
392	Stores Equipment	0	0	0	0			0
393	Tools, Shop and Garage Equipment	8,227	0	0	8,227		5.00%	411
394	Laboratory Equipment	6,613	0	0	6,613		10.00%	661
395	Power Operated Equipment	0	0	0	0			0
396	Communication Equipment	0	0	0	0			0
397	Miscellaneous Equipment	0	0	0	0			0
398	Other Tangible Plant	89,005	0	0	89,005		10.00%	8,900
	Subtotal	\$1,884,156	\$45,866	\$0	\$1,930,022	\$0		\$101,376

Contribution(s) in Aid of Construction (Gross) \$978,305
Less: Non Amortizable Contribution(s)
Fully Amortized Contribution(s)
Amortizable Contribution(s) **\$978,305**
Times: Proposed Amortization Rate 5.43%
Amortization of CIAC \$53,160

Less: Amortization of CIAC **\$53,160**

DEPRECIATION EXPENSE **\$48,217**

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Balance Sheet Assets
12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$15,632	\$33,973
132	Special Deposits			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		26,211	25,894
142	Other Accounts Receivable			
143	Accumulated Provision for Uncollectable Accounts		(7,426)	
146	Notes Receivable from Associated Companies		50,300	51,050
151	Plant Material and Supplies			
162	Prepayments			
173	Accrued Utility Revenue			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$84,717	\$110,917
	Deferred Debits			
186.1	Deferred Rate Case Expense			
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$1,884,156	\$1,930,022
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(1,177,889)	(1,279,266)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$706,267	\$650,757
	Total Assets		\$790,984	\$761,674

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note these items feed automatically from the adjusted end of year balance from AR4.

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$20,194	\$19,350
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		17,386	18,856
236	Accrued Taxes			
237	Accrued Interest			
241	Miscellaneous Current and Accrued Liabilities		2,655	(523)
253	Other Deferred Credits			
	Total Current Liabilities		\$40,235	\$37,683
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$96,516	\$84,965
	Total Long Term Debt		\$96,516	\$84,965
	Deferred Credits			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		978,305	978,305
272	Less: Amortization of Contributions		(800,470)	(853,630)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$177,835	\$124,675
	Total Liabilities		\$314,586	\$247,323
	Capital Accounts			
201	Common Stock Issued		\$203,658	\$188,658
211	Other Paid-In Capital			
215	Retained Earnings		272,740	325,694
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$476,398	\$514,351
	Total Liabilities and Capital		\$790,984	\$761,674

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Wastewater Comparative Income Statement
12/31/19

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 -	Last Year 01/01/2018 -
	Operating Revenue		
521	Flat Rate Revenues	\$516,282	\$512,208
522	Measured Revenues	6,598	6,118
534	Rents from Wastewater Property		
536	Other Wastewater Revenues	16,752	30,710
	Total Revenues	\$539,633	\$549,036
	Operating Expenses		
701	Salaries and Wages	\$78,000	\$78,000
704	Employee Pensions and Benefits		
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	6,106	12,965
715	Purchased Power	34,019	38,292
716	Fuel for Power Production		
718	Chemicals	14,318	14,922
720	Materials and Supplies	7,403	11,573
720.1	Repairs and Maintenance	3,800	
720.2	Office Supplies and Expense		
721	Office Expense	85	1,805
731	Contractual Services -Engineering		
732	Contractual Services - Accounting	1,300	4,425
733	Contractual Services - Legal	1,012	1,152
734	Contractual Services - Management Fees	206,077	195,670
735	Contractual Services - Testing	8,369	8,188
736	Contractual Services - Other		
740	Rents - Building		
742	Rents - Equipment		100
750	Transportation Expenses	10,659	11,164
757	Insurance - General Liability	3,221	3,439
758	Insurance - Worker's Compensation		
759	Insurance - Other	1,059	
760	Advertising Expense		
766	Regulatory Commission Expense - Rate Case		
767	Regulatory Commission Expense - Other	2,841	2,468
770	Bad Debt Expense	2,471	5,268
775	Miscellaneous Expense	8,796	9,561
403	Depreciation Expense (From Schedule AR4)	48,217	44,639
408	Taxes Other Than Income	22,032	(500)
408.11	Property Taxes	24,811	25,157
408.12	Payroll Taxes		6,093
409	Income Taxes		
	Total Operating Expenses	\$484,595	\$474,381
	Operating Income / (Loss)	\$55,038	\$74,655
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions		
419	Interest and Dividend Income		
421	Non-Utility Income	2,727	2,320
426	Miscellaneous Non-Utility (Expense)		(153)
427	Interest (Expense)	(4,811)	(5,251)
	Total Other Income / (Expense)	(\$2,084)	(\$3,084)
	Net Income / (Loss)	\$52,954	\$71,571

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			0.2	0.2
Engineering Staff				0.0
System Operator(s)			1.0	1.0
Customer Service			0.3	0.3
Accounting			0.2	0.2
Business Office			0.5	0.5
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	2.2	2.2

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/19

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/1/2015			
Source of Loan	Pivotal Utility Management, LLC			
ACC Decision No.	75082			
Reason for Loan	Plant financing			
Dollar Amt. Issued	\$137,500			
Amount Outstanding	\$ 84,965.00			
Date of Maturity	1/1/2026			
Interest Rate	5%			
Current Year Interest	\$ 4,811.00			
Current Year Principal	\$ 11,551.00			

Meter Deposit Balance at Test Year End:	
---	--

Meter Deposits Refunded During the Test Year:	
---	--

List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Wastewater Utility Plant Description

Name of System:	Verde Santa Fe Wastewater Company, Inc.
Wastewater Inventory Number (if applicable):	105607
Type of Treatment	Other
Design Capacity of Plant (Gallons per day)	264,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
4400 W Hogan Road	2	2	60	1,000	
WWTP Site(inluent)	2	15	620	1,814	
WWTP Site (effluent)	2	26	356	4,681	
Amante Sewer Lift Sta	2	17	65	2,500	

FORCE MAINS

Size	Material	Length (Feet)
2 inch	PVC	6,690
4 inch	PVC	1,722
6 inch	PVC	5,447

MANHOLES

Type	Quantity
Standard	154
Drop	

CLEANOUTS

Quantity
31

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

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

[illegible]

For the following five items, list the utility owned assets in each category for each system.

SOLIDS PROCESSING AND HANDLING FACILITIES	Inlet comminutor, grit chamber and bar screen; sludge digester/settling tank and Diramad 3-bag sludge barring unit
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Liquid chlorine feed system
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Forced air carbon filtration system in sludge bagging room
STRUCTURES (Buildings, Fences, Etc.)	Block fence around site, and landscaped berm; large operations building and equipment building, housing for liquid chlorine
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Standby diesel power generator, confined space safety equipment and all necessary laboratory and process control equipment

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

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Wastewater Flows
12/31/19

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	978	2,344,943	110,962	\$1,580	13,308
February*	980	2,300,000	110,000	2,547	22,735
March*	980	2,300,000	114,578	2,408	22,041
April*	982	2,300,000	110,000	2,564	24,596
May	982	2,329,790	157,091	3,061	25,287
June	983	2,451,277	105,610	2,855	23,005
July	984	2,442,194	116,247	3,349	28,029
August	992	2,425,304	104,585	3,492	26,480
September	986	2,535,597	144,090	3,003	24,110
October	989	5,157,777	112,552	3,180	27,643
November	987	2,721,549	114,931	2,499	23,736
December	987	2,629,181	113,433	2,499	23,934
	Totals	31,937,612	1,414,079	\$33,038	284,904

* Estimated due to faulty flow meter(s)

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Other
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit ("APP") Number	P103173
ADEQ Reuse Permit Number	R105815-held by golf course
EPA NPDES Permil Number	N/A
APP Effluent Treatment Requirement (Class)?	
Permitted Flow Rate	264,000 gpd
Permitted Organic Capacity	
Hydraulic Capacity	264,000 gpd
Type of Biological Treatment	

In the space below, list all violations within the past 12 months:

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

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Other Wastewater System Information

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:
$$\text{ERC} = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated. Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC

0.313

Method used:

(a)

What is the present system connection capacity (in ERCs *) using existing lines?

987

What is the future system connection capacity (in ERCs *) upon service area buildout?

987

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

Agave Highlands Golf Course - uses 100% of wastewater effluent for irrigation of turf

If the utility does not engage in reuse, has a reuse feasibility study been completed?

--

If so, when?

Verde Santa Fe Wastewater Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of System:	Verde Santa Fe Wastewater Company, Inc.
Wastewater Inventory Number (if applicable):	105607

Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2- 609.C	Other
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Total	0	0	0

Other (description):

--

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes	
----------------	--

Amount of actual property taxes paid during Calendar Year 2018 was
--

\$24,811

If no property taxes paid, explain why.

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Sworn Statement (Taxes)

Verification: State of Colorado I, the undersigned of the
(state name)

County of (county name):

Name (owner or official) title:

Company name:

Denver
Jason Williamson

Verde Santa Fe Wastewater Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING:

12/31/19

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:

RECEIVED
BY EMAIL

4/15/2020

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

14th

DAY OF

Denver

(county name)

April 2020
(month) and (year)

MY COMMISSION EXPIRES

3/8/2021
(date)

[Signature]
(signature of notary public)

ERIC ANDREW JONES
Notary Public - State of Colorado
Notary ID 20174010338
My Commission Expires Mar 8, 2021

Verification and Sworn Statement

Verification:

State of Colorado I, the undersigned of the
(state name)

County of (county name):

Denver

Name (owner or official) title:

Jason Williamson

Company name:

Verde Santa Fe Wastewater Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/19

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, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$539,633

(The amount in the box above includes

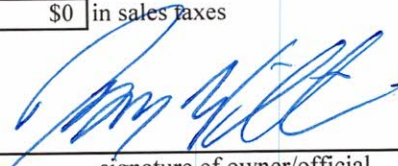
\$0 in sales taxes

billed or collected)

RECEIVED
BY EMAIL

4/15/2020

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION


signature of owner/official

720 949 0 1384

telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

14th

DAY OF


Denver
(county name)

April 2020
(month) and (year)

MY COMMISSION EXPIRES

3/8/2021
(date)

ERIC ANDREW JONES
Notary Public - State of Colorado
Notary ID 20174010338
My Commission Expires Mar 8, 2021


(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

State of Colorado I, the undersigned of the
(state name)

County of (county name): Denver
Name (owner or official) title: Jason Williamson
Company name: Verde Santa Fe Wastewater Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/19

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, 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 THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$539,633

(The amount in the box above includes

\$0 in sales taxes
billed or collected)

RECEIVED
BY EMAIL

4/15/2020

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Jason Williamson
signature of owner/official

720 949 0 1384
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Denver
(county name)

THIS

14th

DAY OF

April 2020
(month) and (year)

MY COMMISSION EXPIRES

3/8/2021
(date)

ERIC ANDREW JONES
Notary Public - State of Colorado
Notary ID 20174010338
My Commission Expires Mar 8, 2021

Eric Andrew Jones
(signature of notary public)

Full Gross-up Method for Income Tax Statement of Certification

Verification:

State of Colorado I, the undersigned of the
(state name)

County of (county name): Denver
Name (owner or official) title: Jason Williamson
Company name: Verde Santa Fe Wastewater Company, Inc.

FOR THE YEAR ENDING: 12/31/19

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

**RECEIVED
BY EMAIL**

4/15/2020

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Jason Williamson
signature of owner/official

720 949 0 1384
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Denver

(county name)

THIS

14th

DAY OF

April 2020

(month) and (year)

MY COMMISSION EXPIRES

3/8/2021

(date)

ERIC ANDREW JONES
Notary Public - State of Colorado
Notary ID 20174010338
My Commission Expires Mar 8, 2021

Eric Andrew Jones
(signature of notary public)