

**ANNUAL REPORT**

Of

Company Name: Appaloosa Water Company  
PO Box 3150

Mailing Address: Chino Valley AZ  
86323

Docket No.: W-03443A  
For the Year Ended: 12/31/20

**RECEIVED  
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03/24/2021, 11:32 AM  
**ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION**

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: Util-Compliance@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: 3/23/2021

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Appaloosa Water Company  
A Class  Utility

For the Calendar Year Ended:

Primary Address:   
City:  State:  Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Ownership:

Counties Served:

<b>Important changes during the year</b>	
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No	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.
	N/A

No	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.
	N/A

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCI.D (OC less AD)
301	Organization	\$264	\$0	\$0	\$264	\$0	\$264
302	Franchises	2,309	0	0	2,309	0	2,309
303	Land and Land Rights	3,161	0	0	3,161	0	3,161
304	Structures and Improvements	67,051	0	0	67,051	26,795	40,256
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	238,519	0	0	238,519	95,315	143,204
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	94,131	0	0	94,131	94,131	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	148,250	0	0	148,250	38,022	110,228
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	25,635	0	0	25,635	0	25,635
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	100,438	0	0	100,438	40,719	59,719
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	745,102	0	0	745,102	178,824	566,278
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	15,055	0	0	15,055	15,055	0
335	Hvdrants	48,876	0	0	48,876	11,735	37,141
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	2,222	0	0	2,222	1,478	744
340.1	Computer & Software	1,500	0	0	1,500	1,500	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	12,889	0	0	12,889	8,251	4,638
	<b>Totals</b>	<b>\$1,505,402</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,505,402</b>	<b>\$511,825</b>	<b>\$993,577</b>

Appaloosa Water Company  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/20

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$264	\$0	\$0	\$264	\$264	\$0	0.00%	\$0
302	Franchises	2,309	0	0	2,309	2,309	0	0.00%	0
303	Land and Land Rights	3,161	0	0	3,161	3,161	0	0.00%	0
304	Structures and Improvements	67,051	0	0	67,051	0	67,051	3.33%	2,233
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	238,519	0	0	238,519	0	238,519	3.33%	7,943
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	94,131	0	0	94,131	94,131	0	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	148,250	0	0	148,250	0	148,250	3.33%	4,937
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	25,635	0	0	25,635	0	25,635	3.33%	854
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	100,438	0	0	100,438	0	100,438	2.22%	2,230
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	745,102	0	0	745,102	0	745,102	2.00%	14,902
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	15,055	0	0	15,055	0	15,055	8.33%	1,254
335	Hvdrants	48,876	0	0	48,876	0	48,876	2.00%	978
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	2,222	0	0	2,222	0	2,222	6.67%	148
340.1	Computer & Software	1,500	0	0	1,500	1,500	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	12,889	0	0	12,889	0	12,889	0.00%	0
	<b>Subtotal</b>	<b>\$1,505,402</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,505,402</b>	<b>\$101,365</b>	<b>\$1,404,037</b>		<b>\$35,477</b>

Contribution(s) in Aid of Construction (Gross) \$1,240,943  
Less: Non Amortizable Contribution(s) 0  
Fully Amortized Contribution(s) 0  
Amortizable Contribution(s) **\$1,240,943**  
Times: Proposed Amortization Rate 2.53%  
Amortization of CIAC \$31,356

Less: Amortization of CIAC **\$31,356**

**DEPRECIATION EXPENSE \$4,121**

Appaloosa Water Company  
 Annual Report  
 Balance Sheet Assets  
 12/31/20

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$11,584	\$2,229
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		(6,217)	(11,772)
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		406	1,014
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	<b>Total Current and Accrued Assets</b>		<b>\$5,773</b>	<b>(\$8,529)</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,505,030	\$1,505,402
103	Property Held for Future Use		60,000	60,000
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(494,029)	(511,825)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$1,071,001</b>	<b>\$1,053,577</b>
	<b>Total Assets</b>		<b>\$1,076,774</b>	<b>\$1,045,048</b>

\*Note these items feed automatically from AR3 UPIS Page 4

Appaloosa Water Company  
Annual Report  
Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		<b>Balance at Beginning of Year (2020)</b>	<b>Balance at End of Year (2020)</b>
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$0	\$1,103
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		6,400	6,400
236	Accrued Taxes		(276)	56
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	<b>Total Current Liabilities</b>		<b>\$6,124</b>	<b>\$7,559</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$116,606	\$106,732
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,240,943	1,240,943
272	Less: Amortization of Contributions		(282,627)	(282,627)
281	Accumulated Deferred Income Tax		0	0
	<b>Total Deferred Credits</b>		<b>\$958,316</b>	<b>\$958,316</b>
	<b>Total Liabilites</b>		<b>\$1,081,046</b>	<b>\$1,072,607</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$2,000	\$2,000
211	Other Paid-In Capital		0	0
215	Retained Earnings		28,567	26,353
218	Proprietary Capital (Sole Props and Partnerships)		(34,839)	(55,912)
	<b>Total Capital</b>		<b>(\$4,272)</b>	<b>(\$27,559)</b>
	<b>Total Liabilities and Capital</b>		<b>\$1,076,774</b>	<b>\$1,045,048</b>

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

Appaloosa Water Company  
Annual Report  
Water Comparative Income Statement  
12/31/20

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2020 - 12/31/2020	Last Year 01/01/2019 - 12/31/2019
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$169,036	\$146,207
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	<b>Total Revenues</b>	<b>\$169,036</b>	<b>\$146,207</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$98,577	\$71,692
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	9,407	8,071
618	Chemicals	0	0
620	Materials and Supplies	13,620	0
620.1	Repairs and Maintenance	726	144
620.2	Office Supplies and Expense	9,558	8,486
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	1,975	600
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	644	867
636	Contractual Services - Other	7,517	8,884
640	Rents	0	0
641	Rental of Building/Real Property	7,200	7,200
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	4,770	4,473
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	20,123
403	Depreciation Expense (From Schedule AR4)	4,121	4,041
408	Taxes Other Than Income	0	0
408.11	Property Taxes	8,539	7,103
409	Income Taxes	0	45
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$166,653</b>	<b>\$141,729</b>
	<b>Operating Income / (Loss)</b>	<b>\$2,382</b>	<b>\$4,478</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	<b>Total Other Income / (Expense)</b>	<b>\$0</b>	<b>\$0</b>
	<b>Net Income / (Loss)</b>	<b>\$2,382</b>	<b>\$4,478</b>

<b>Full time equivalent employees</b>
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	Direct Company	Allocated	Outside service	Total
President	1.0	1.0	0.0	2.0
Vice-president	0.0	0.0	0.0	0.0
Manager	1.0	1.0	0.0	2.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.0	0.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	0.0	0.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
<b>Total</b>	2.0	2.0	0.0	4.0

Appaloosa Water Company  
 Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/20

<b>Supplemental Financial Data (Long-Term Debt)</b>				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	11/6/2007	NONE	NONE	NONE
Source of Loan	WIFA	0	0	0
ACC Decision No.	71236	0	0	0
Reason for Loan	Arsenic Plant	0	0	0
Dollar Amt. Issued	\$200,000	\$0	\$0	\$0
Amount Outstanding	\$106,732	\$0	\$0	\$0
Date of Maturity	11/1/2029	NONE	NONE	NONE
Interest Rate	3.68%	0.00%	0.00%	0.00%
Current Year Interest	\$4,135	\$0	\$0	\$0
Current Year Principal	\$10,418	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$6,400
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Meter Deposits Refunded During the Test Year:	\$900
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***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.***

Well and Water Usage

Well and Water Usage											
Name of the System:		APPALOOSA WATER COMPANY									
ADEQ Public Water System Number:		AZ0413208									
ADWR PCC Number:		91-000680 0000									
Well registry 55# (55-XXXXXX)	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2020	Meter Size (inches)	How measured	Active
55-607204	7.5	90	660	16	submersible	1999	175	200	6	Estimated	Yes
55-607203	10	100	260	12	submersible	2004	175	200	6	Estimated	Yes
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A
NONE	0	0	0	0	0	0	0	0	0	N/A	N/A

Name of system water delivered to:	NA
ADWR PCC Number:	0
Source of water delivered to another system	NA

Name of system water received from:	NA
ADWR PCC Number:	0
Source of water received	NA
Well registry 55# (55-XXXXXX):	0

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense6	Purchased Power (kWh)7
January	816,320.00	791,014.00	0.00	0.00	0.00	\$459	3,208
February	839,620.00	813,591.00	0.00	0.00	0.00	404	2,817
March	832,150.00	808,849.00	0.00	0.00	0.00	416	2,771
April	1,720,670.00	1,672,491.00	0.00	0.00	0.00	497	3,487
May	2,473,270.00	2,411,439.00	0.00	0.00	0.00	722	5,743
June	2,961,650.00	2,872,801.00	0.00	0.00	0.00	933	8,147
July	2,856,490.00	2,787,935.00	0.00	0.00	0.00	1,301	9,511
August	3,339,320.00	3,252,498.00	0.00	0.00	0.00	1,200	9,450
September	2,661,350.00	2,576,187.00	0.00	0.00	0.00	1,178	9,035
October	2,639,530.00	2,555,065.00	0.00	0.00	0.00	999	7,817
November	1,573,700.00	1,518,620.00	0.00	0.00	0.00	791	6,211
December	1,103,410.00	1,072,308.00	0.00	0.00	0.00	507	3,887
<b>Totals</b>	<b>23,817,480.00</b>	<b>23,132,798.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$9,407</b>	<b>72,084</b>

If applicable, in the space below please provide a description for all un-metered water use along with amounts:  
 NONE

1 Water withdrawn - Total gallons of water withdrawn from pumped sources  
 2 Water sold - Total gallons from customer meters, and other sales such as construction water  
 3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems.  
 4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.  
 5 Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.  
 6 Enter the total purchased power costs for the power meters associated with this system.  
 7 Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description	
Name of the System:	APPALOOSA WATER COMPANY
ADEQ Public Water System Number:	AZ0413208
ADWR PCC Number:	91-000680.0000

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	3,589
3.00	Unknown	0
4.00	PVC	1,657
5.00	Unknown	0
6.00	PVC	22,933
8.00	PVC	5,395
0.00	Unknown	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	187	50%	100%
1	49	50%	100%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	236	100%	100%

SERVICE LINES			
Material	Percent of system	Year installed	
PVC	100%	1995	
NA	0%	0	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10	175	2
7.5	125	1
10	175	1
100	100	1

FIRE HYDRANTS	
Type	Quantity
Standard *	26
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
65,000	steel	1	1995
0	na	0	0
0	na	0	0
0	na	0	0
0	na	0	0
0	na	0	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,500	steel	1	1995
0	na	0	0
0	na	0	0
0	na	0	0
0	na	0	0
0	na	0	0

\* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

<b>Water Utility Plant Description (Continued)</b>
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For the following three items, list the utility owned assets in each category for each system.

<b>TREATMENT EQUIPMENT:</b>	Arsenic and 5000 gallon wash tank
<b>STRUCTURES:</b>	60x40 slump block wall plant w/ blockwall surround and iron entrance gates. 20x10 slump block wall treatment bldg. 65000 gal water storage tank
<b>OTHER:</b>	350 feet fire hoses, misc pipe, fixtures, tools and ladders. 290 degree blowoff extension. Chlorination system.

**Provide a calculation used to determine the value of one water 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
- (b) If no historical flow data are available, use:  
 $ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day} )$

ERC	269
Method used:	(a)

Customer and Other Information	
Name of the System:	APPALOOSA WATER COMPANY
ADEQ Public Water System Number:	AZ0413208
ADWR PCC Number:	91-000680.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	236	0	0	0	0
February	236	0	0	0	0
March	236	0	0	0	0
April	236	0	0	0	0
May	236	0	0	0	0
June	236	0	0	0	0
July	236	0	0	0	0
August	236	0	0	0	0
September	236	0	0	0	0
October	236	0	0	0	0
November	236	0	0	0	0
December	236	0	0	0	0

If the system has fire hydrants, what is the fire flow requirements?  GPM for  hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?   
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?   
 If yes, which AMA?

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

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

Describe any plans and estimated completion dates for any enlargements or improvements of this system.  
 We have been approved for a WIFA loan amount of approx. \$150k in 2021 to be used to make repairs and to replace current operational equipment.

\* an ERC is based on the calculation on the bottom of AR9 page 12.

Appaloosa Water Company  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	APPALOOSA WATER COMPANY
ADEQ Public Water System Number:	AZ0413208
ADWR PCC Number:	91-000680.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Other (description):**

N/A
-----

**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 2020 was	
--	--

\$8,539
---------

If no property taxes paid, explain why.
---

N/A
-----

<b>Instructions:</b> 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.
---

**Verification and Sworn Statement (Taxes)**

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

County of (county name): Yavapai  
Name (owner or official) title: Tony Cordovana, Office Manager  
Company name: Appaloosa Water Company

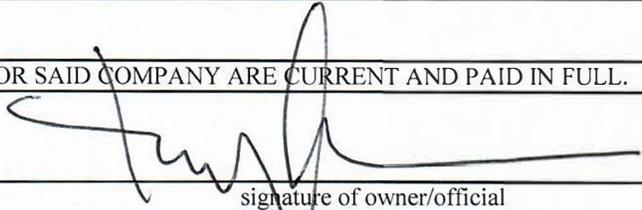
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

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/official

928-237-6128

telephone no.

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

THIS

24

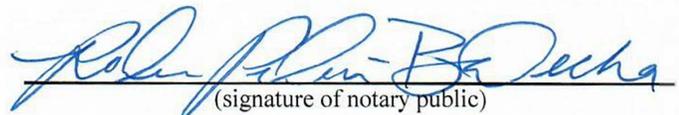
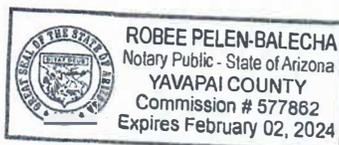
DAY OF

Yavapai  
(county name)

March, 2021  
(month) and (year)

MY COMMISSION EXPIRES

2/02/2024  
(date)



(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the  
(state name)  
County of (county name): Yavapai  
Name (owner or official) title: Tony Cordovana, Office Manager  
Company name: Appaloosa Water Company

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

FOR THE YEAR ENDING: 12/31/20

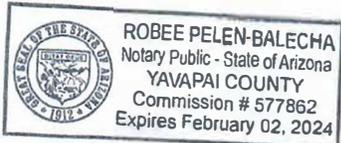
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND 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 Intradate Gross Operating Revenues Only (\$)  
\$169,036  
(The amount in the box above includes  
\$15,898 in sales taxes  
billed or collected)

[Signature]  
signature of owner/official  
928-237-6128  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Yavapai  
(county name)  
THIS 24 DAY OF March, 2021  
(month) and (year)  
MY COMMISSION EXPIRES 2/02/2024  
(date)



[Signature]  
(signature of notary public)

**Verification and Sworn Statement (Residential Revenue)**

**Verification:**

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

County of (county name): Yavapai  
Name (owner or official) title: Tony Cordovana, Office Manager  
Company name: Appaloosa Water Company

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

FOR THE YEAR ENDING: 12/31/20

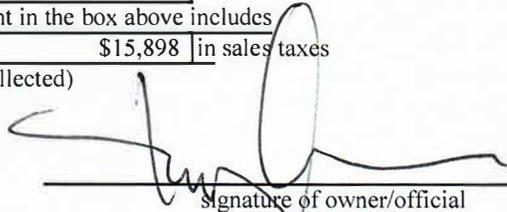
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND 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 (\$)

\$169,036

(The amount in the box above includes  
\$15,898 in sales taxes  
billed or collected)

  
\_\_\_\_\_  
signature of owner/official

928-237-6128  
\_\_\_\_\_  
telephone no.

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

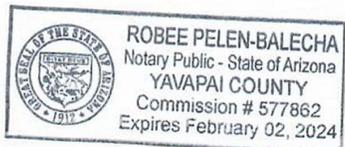
YAVAPAI  
\_\_\_\_\_  
(county name)

THIS 24  
\_\_\_\_\_  
DAY OF

MARCH, 2024  
\_\_\_\_\_  
(month) and (year)

MY COMMISSION EXPIRES

2/02/2024  
\_\_\_\_\_  
(date)



**Full Gross-up Method for Income Tax Statement of Certification**

**Verification:**

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

County of (county name): Yavapai  
Name (owner or official) title: Tony Cordovana, Office Manager  
Company name: Appaloosa Water Company

FOR THE YEAR ENDING: 12/31/20

**Sworn Statement:**

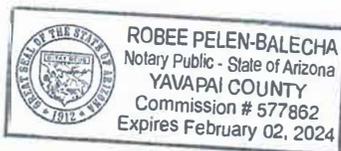
IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD 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.

[Signature]  
signature of owner/official  
928-237-6128  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Yavapai  
(county name)

THIS 24 DAY OF March, 2021  
(month) and (year)

MY COMMISSION EXPIRES 2/02/2024  
(date)



[Signature]  
(signature of notary public)