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#### 4/14/2022, 4:10 PM ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

#### ANNUAL REPORT

Of

Company Name: Mescal Lakes Water Systems Inc.

PO Box 85160

Mailing Address:

Tucson AZ

85754

Docket No.: W-02472A For the Year Ended: 12/31/21

### **WATER UTILITY**

To

Arizona Corporation Commission

#### **Due on April 15th**

Application Type: Corrected Filing

Application Date: 4/12/2022

# ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Mescal Lakes Water Systems Inc. A Class E Utility

For the Calendar Year E	Ended: $\frac{12/31/21}{12}$				
Primary Address:	6808 N Dysart Rd Ste 112				_
	Glendale		State: Arizona	Zip Code:   85307	_
,		I			_
Telephone Number:	623-935-1100				
•		•			
Date of Original Organia	zation of Utility:	6/7/19	82		
	ondence should be address	ed concern	ning this report:		
	Bryan Thomas				
Telephone No. :					
	6808 N Dysart Rd Ste 112	T	~ I	Ter a 1	
2	Glendale		State: Arizona	Zip Code: 85307	_
Email:	bryan@vuwco.com				
On-Site Manager					_
	Mike Molina	1			_
Telephone No. :					
	PO Box 85160				_
	Tucson		State: Arizona	Zip Code:   85754	_
	info@southwesternutility.com		Suite. Philipona		_
Eman		-			
Name:					_
Telephone No.:					
Address:					
City:			State:	Zip Code:	
Email:				_	
,,					
Name:					
Telephone No. :					_
Address:		ı	G: .	Ta: 0 1	
City:			State:	Zip Code:	
Email:					
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Name:		1			_
Telephone No. :					
Address:					
City:		Ι	State:	Zip Code:	
Email:			S		
Eman.					
Ownership:	"C" Corporation				
1					
Counties Served:	Cochise				

# ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Mescal Lakes Water Systems Inc.

No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during
	year?
- [	If yes, please provide specific details in the box below.
Ī	N/A
L	
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	Description	Beginning Year	Current Year	Current Year	Adjusted Original	Accumulated	OCLD (OC less		
No.	_	Original Cost	Additions	Retirements	Cost	Depreciation	AD)		
301	Organization	\$104	\$0	\$0	\$104	\$0	\$104		
302	Franchises	250	0	0	250	0	250		
303	Land and Land Rights	9,063	1,200	0	10,263	0	10,263		
304	Structures and Improvements	35,143	0	0	35,143	28,718	6,425		
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	84,465	0	0	84,465	70,559	13,906		
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	158,409	2,919	0	161,328	108,351	52,977		
320	Water Treatment Equipment	0	0	0	0	0	0		
320.1	Water Treatment Plants	0	0	0	0	0	0		
320.2	Solution Chemical Feeders	4,064	0	0	4,064	1,741	2,323		
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0		
330	Distribution Reservoirs and Standpipes	63,553	0	0	63,553	63,553	0		
330.1	Storage Tanks	71,787	0	0	71,787	55,095	16,692		
330.2	Pressure Tanks	1,852	0	0	1,852	509	1,343		
331	Transmission and Distribution Mains	682,930	24,849	0	707,779	562,217	145,562		
333	Services	132,519	17,951	0	150,470	107,253	43,217		
334	Meters and Meter Installations	81,868	4,682	0	86,550	56,141	30,409		
335	Hydrants	0	0	0	0	0	0		
336	Backflow Prevention Devices	854	0	0	854	363	491		
339	Other Plant and Misc. Equipment	0	0	0	0	0	0		
340	Office Furniture and Equipment	0	0	0	0	0	0		
340.1	Computer & Software	0	0	0	0	0	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	4,504	0	4,504	113	4,391		
347	Miscellaneous Equipment	0	0	0	0	0	0		
348	Other Tangible Plant	0	0	0	0	0	0		
	Totals	\$1,326,861	\$56,105	\$0	\$1,382,966	\$1,054,613	\$328,353		

Mescal Lakes Water Systems Inc. Annual Report Depreciation Expense for the Current Year (Water) 12/31/21

			reciation Expense	e for the Current					
Account No.	Description	Beginning Year	Current Year	Current Year	Adjusted	Fully	Depreciable	Depreciation	Depreciatio
		Original Cost	Additions	Retirements	Original Cost	Depreciated/Non- depreciable Plant	Plant	Percentages	Expense
301	Organization	\$104	\$0	\$0	\$104	\$104	\$0	0.00%	\$(
302	Franchises	250	0	0	250	250	0	0.00%	(
303	Land and Land Rights	9,063	1,200	0	10,263	9,063	1,200	0.00%	(
304	Structures and Improvements	35,143	0	0	35,143	7,304	27,839	5.00%	1,392
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	(
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	(
307	Wells and Springs	84,465	0	0	84,465	30,319	54,146	5.00%	2,707
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	(
309	Supply Mains	0	0	0	0	0	0	0.00%	(
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	(
311	Pumping Equipment	158,409	2,919	0	161,328	46,775	114,553	5.00%	5,655
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	(
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	(
320.2	Solution Chemical Feeders	4,064	0	0	4,064	0	4,064	5.00%	203
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	(
330	Distribution Reservoirs and Standpipes	63,553	0	0	63,553	63,553	0	5.00%	(
330.1	Storage Tanks	71,787	0	0	71,787	0	71,787	5.00%	3,589
330.2	Pressure Tanks	1,852	0	0	1,852	0	1,852	5.00%	93
331	Transmission and Distribution Mains	682,930	24,849	0	707,779	284,681	423,098	5.00%	20,534
333	Services	132,519	17,951	0	150,470	55,733	94,737	5.00%	4,288
334	Meters and Meter Installations	81,868	4,682	0	86,550	33,899	52,651	5.00%	2,510
335	Hydrants	0	0	0	0	0	0	0.00%	(
336	Backflow Prevention Devices	854	0	0	854	0	854	5.00%	43
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	(
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	(
340.1	Computer & Software	0	0	0	0	0	0	0.00%	(
341	Transportation Equipment	0	0	0	0	0	0	0.00%	(
342	Stores Equipment	0	0	0	0	0	0	0.00%	(
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	(
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	(
346	Communication Equipment	0	4,504	0	4,504	0	4,504	5.00%	113
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	(
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	(
	Subtotal	\$1,326,861	\$56,105	\$0	\$1,382,966	\$531,681	\$851,285		\$41,132

 Contribution(s) in Aid of Construction (Gross)
 \$486,099

 Less: Non Amortizable Contribution(s)
 0

 Fully Amortized Contribution(s)
 136,347

 Amortizable Contribution(s)
 \$349,752

 Times: Proposed Amortization Rate
 5.00%

 Amortization of CIAC
 \$17,488

Less: Amortization of CIAC \$17,488

DEPRECIATION EXPENSE \$23,644

Mescal Lakes Water Systems Inc. Annual Report Balance Sheet Assets 12/31/21

	<b>Balance Sheet Assets</b>		
	Assets	Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets		
131	Cash	\$19,935	\$2,733
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	10,273	13,060
146	Notes Receivable from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	35,247	35,284
	Total Current and Accrued Assets	\$65,455	\$51,077
Account No.	Fixed Assets		
101	Utility Plant in Service*	\$1,326,861	\$1,382,966
103	Property Held for Future Use	0	0
105	Construction Work in Progress	450	8,926
108	Accumulated Depreciation (enter as negative)*	(1,013,481)	(1,054,613)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility	0	0
	Total Fixed Assets	\$313,830	\$337,279
	Total Assets	\$379,285	\$388,356

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

Mescal Lakes Water Systems Inc. Annual Report Balance Sheet Liabilities and Owners Equity

	Balance Sheet Liabilities and Ow	ners Equity	
	Liabilities	Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current Liabilities		
231	Accounts Payable	\$832	\$38,658
232	Notes Payable (Current Portion)	0	0
234	Notes Payable to Associated Companies	0	0
235	Customer Deposits	25,826	26,921
236	Accrued Taxes	37,398	12,958
237	Accrued Interest	0	0
242	Miscellaneous Current and Accrued Liabilities	552	993
	Total Current Liabilities	\$64,608	\$79,530
	Long Term Debt		
224	Long Term Debt (Notes and Bonds)	\$0	\$0
	Deferred Credits		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction	109,254	123,263
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	486,099	486,099
272	Less: Amortization of Contributions	(242,869)	(260,357)
281	Accumulated Deferred Income Tax	0	0
	Total Deferred Credits	\$352,484	\$349,005
	Total Liabilites	\$417,092	\$428,535
	Capital Accounts		
201	Common Stock Issued	\$100	\$100
211	Other Paid-In Capital	159,638	159,638
215	Retained Earnings	(197,545)	(199,917)
218	Proprietary Capital (Sole Props and Partnerships)	0	0
-	Total Capital	(\$37,807)	(\$40,179)
	Total Liabilities and Capital	\$379,285	\$388,356

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

461 Me 460 Un 462 Fire 469 Gu 471 Mis 474 Oth  Toi  Op 601 Sal 604 Em 610 Pun 615 Pun 618 Ch 620 Ma 620.1 Rej 620.2 Off 630 Cor 631 Cor 632 Cor 631 Cor 632 Cor 634 Cor 635 Cor 636 Cor 640 Rej 641 Rej 642 Rej 650 Tra 657 Ins 657 Ins 665 Rej 670 Bac 675 Mis 403 De 408 Tax 408.11 Pro	Calendar Year  perating Revenue etered Water Revenue metered Water Revenue metered Revenues (Surcharges) iscellaneous Service Revenues ther Water Revenue  perating Expenses malaries and Wages mployee Pensions and Benefits methased Water memicals aterials and Supplies epairs and Maintenance effice Supplies and Expense montractual Services - Accounting montractual Services - Management Fees montractual Services - Water Testing montractual Services - Other memicals montractual Services - Water Testing montractual Services - Water Testing montractual Services - Other memicals montractual Services - Water Testing montractual Services - Other memicals montractual Services - Other montractual Services - Other	Current Year 01/01/2021 - 12/31/2021  \$224,273  0  0  0  2,941  0  \$227,214  \$0  \$17,745  \$56  0  6,879  2,376  0  695  590  138,062  1,136	Last Year 01/01/2020 - 12/31/2020  \$219,598  0  0  3,751  0  \$223,349  \$0  \$0  \$18,464  1,056  0  8,639  2,833  0  0  3,942  70  132,382
461 Me 460 Un 462 Fire 469 Gu 471 Mis 474 Oth  Toi  Op 601 Sal 604 Em 610 Pun 615 Pun 618 Ch 620 Ma 620.1 Re 620.2 Off 630 Cor 631 Cor 632 Cor 631 Cor 632 Cor 634 Cor 635 Cor 636 Cor 640 Re 641 Re 642 Re 641 Re 642 Re 650 Tra 657 Ins 657.1 Ins 665 Re 670 Bac 675 Mis 403 De 408 Tas	etered Water Revenue metered Water Revenue metered Water Revenue metered Revenues metered Revenue metered Revenues mete	\$224,273 0 0 0 2,941 0 \$227,214 \$0 0 17,745 856 0 6,879 2,376 0 0 695 590 138,062	\$219,598 0 0 3,751 0 \$223,349 \$0 0 18,464 1,056 0 8,639 2,833 0 0 0 3,942 70 132,382
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471 Mi: 474 Oth To:  To:  Op 601 Sal 604 Em 610 Pur 615 Pur 618 Ch 620 Ma 620.1 Re 620.2 Off 630 Co: 631 Co: 632 Co: 633 Co: 634 Co: 635 Co: 636 Co: 640 Re: 641 Re: 642 Re: 650 Tra 657 Ins 6657 Ins 665 Re; 670 Bac 675 Mi: 403 De 408 Tax 408.11 Pro	iscellaneous Service Revenues ther Water Revenue that Revenues  perating Expenses tharies and Wages mployee Pensions and Benefits trichased Water trichased Power memicals aterials and Supplies tepairs and Maintenance ffice Supplies and Expense tontractual Services tontractual Services - Engineering tontractual Services - Accounting tontractual Services - Management Fees tontractual Services - Water Testing tontractual Services - Other	2,941 0 \$227,214 \$0 0 0 17,745 856 0 6,879 2,376 0 0 695 590 138,062	3,751 (\$223,349 \$0 (\$0 (\$0 (\$0 (\$0 (\$0 (\$0 (\$0
474 Oth To	perating Expenses  Ilaries and Wages Imployee Pensions and Benefits Inchased Water Inchased Power Inchased Powe	0 \$227,214 \$0 0 0 17,745 856 0 6,879 2,376 0 0 695 590	\$223,349 \$223,349 \$0 (0 18,462 1,056 (0 8,639 2,833 (0 (0 3,942 70 132,382
601 Sal 604 Em 610 Pun 615 Pun 618 Ch 620 Ma 620.1 Rep 620.2 Off 630 Co 631 Co 632 Co 633 Co 634 Co 635 Co 636 Co 640 Rep 641 Rep 642 Rep 650 Tra 657 Ins 665 Rep 670 Bac 675 Min 403 De 408 Tax 408.11 Pro	perating Expenses claries and Wages inployee Pensions and Benefits irchased Water irchased Power inemicals aterials and Supplies repairs and Maintenance ffice Supplies and Expense contractual Services contractual Services - Engineering contractual Services - Legal contractual Services - Legal contractual Services - Water Testing contractual Services - Other	\$227,214 \$0 0 0 17,745 856 0 6,879 2,376 0 0 695 590 138,062	\$0 0 18,464 1,056 0 8,639 2,833 0 0 0 3,942 70
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601 Sal 604 Em 610 Pun 615 Pun 615 Pun 618 Ch 620 Ma 620.1 Rep 620.2 Off 630 Con 631 Con 632 Con 633 Con 634 Con 635 Con 636 Con 640 Rep 641 Rep 642 Rep 650 Tra 657 Ins 665 Rep 670 Ban 675 Min 403 Dep 408 Tan 408.11 Pro	nployee Pensions and Benefits  nrchased Water  nrchased Power nemicals aterials and Supplies epairs and Maintenance effice Supplies and Expense ontractual Services - Engineering ontractual Services - Legal ontractual Services - Management Fees ontractual Services - Water Testing ontractual Services - Other	0 0 17,745 856 0 6,879 2,376 0 0 695 590	() (18,462 1,056 (8,639 2,833 () () () () () () () () () () () () ()
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604 Em 610 Pun 615 Pun 618 Ch 620 Ma 620.1 Rep 620.2 Off 630 Con 631 Con 632 Con 633 Con 634 Con 635 Con 636 Con 640 Rep 641 Rep 642 Rep 650 Tra 657 Ins 657.1 Ins 665 Rep 670 Bac 675 Min 403 Dep 408 Tax 408.11 Pro	mployee Pensions and Benefits urchased Water urchased Power memicals aterials and Supplies epairs and Maintenance effice Supplies and Expense contractual Services contractual Services - Engineering contractual Services - Accounting contractual Services - Legal contractual Services - Management Fees contractual Services - Water Testing contractual Services - Other	0 0 17,745 856 0 6,879 2,376 0 0 695 590	() (18,462 1,056 (8,639 2,833 () () () () () () () () () () () () ()
610 Pur 615 Pur 618 Ch 620 Ma 620.1 Rej 620.2 Off 630 Cor 631 Cor 632 Cor 633 Cor 634 Cor 635 Cor 636 Cor 640 Rej 641 Rej 642 Rej 650 Tra 657 Ins 665 Rej 670 Bar 675 Mir 403 Dej 408 Tar 408.11 Pro	archased Water archased Power memicals aterials and Supplies epairs and Maintenance effice Supplies and Expense contractual Services contractual Services - Engineering contractual Services - Accounting contractual Services - Legal contractual Services - Management Fees contractual Services - Water Testing contractual Services - Other	17,745 856 0 6,879 2,376 0 0 695 590 138,062	18,46 <sup>2</sup> 1,056 ( 8,63 <sup>9</sup> 2,83 <sup>3</sup> ( ( 3,94 <sup>2</sup> 70 132,38 <sup>2</sup>
615 Pur 618 Ch 620 Ma 620.1 Re 620.2 Off 630 Cor 631 Cor 632 Cor 633 Cor 634 Cor 635 Cor 636 Cor 640 Re 641 Re 642 Re 650 Tra 657 Ins 657.1 Ins 665 Re 670 Bac 675 Mir 403 De 408 Tax	archased Power memicals aterials and Supplies epairs and Maintenance effice Supplies and Expense entractual Services entractual Services - Engineering entractual Services - Accounting entractual Services - Legal entractual Services - Management Fees entractual Services - Water Testing entractual Services - Other	856 0 6,879 2,376 0 0 695 590 138,062	1,056 (8,639 2,833 (0 3,942 70 132,382
618 Ch 620 Ma 620.1 Rep 620.2 Off 630 Co 631 Co 632 Co 633 Co 634 Co 635 Co 636 Co 640 Rep 641 Rep 642 Rep 650 Tra 657 Ins 657 Ins 665 Rep 670 Bac 675 Min 403 De 408 Tax	nemicals aterials and Supplies epairs and Maintenance effice Supplies and Expense entractual Services entractual Services - Engineering entractual Services - Accounting entractual Services - Legal entractual Services - Management Fees entractual Services - Water Testing entractual Services - Other	856 0 6,879 2,376 0 0 695 590 138,062	1,056 8,639 2,833 ( ( 3,942 70 132,382
620 Ma 620.1 Rep 620.2 Off 630 Co 631 Co 632 Co 633 Co 634 Co 635 Co 636 Co 640 Rep 641 Rep 642 Rep 650 Tra 657 Ins 665 Rep 670 Bac 675 Min 403 De 408 Tax	aterials and Supplies epairs and Maintenance effice Supplies and Expense entractual Services entractual Services - Engineering entractual Services - Accounting entractual Services - Legal entractual Services - Management Fees entractual Services - Water Testing entractual Services - Other	0 6,879 2,376 0 0 695 590 138,062	8,639 2,833 ( ( 3,942 7( 132,382
620.1 Rep 620.2 Off 630 Cor 631 Cor 632 Cor 633 Cor 634 Cor 635 Cor 636 Cor 640 Rep 641 Rep 642 Rep 650 Tra 657 Ins 665 Rep 670 Bac 675 Min 403 Dep 408 Tax	epairs and Maintenance  ffice Supplies and Expense ontractual Services ontractual Services - Engineering ontractual Services - Accounting ontractual Services - Legal ontractual Services - Management Fees ontractual Services - Water Testing ontractual Services - Other	2,376 0 0 695 590 138,062	2,833 () () () () () () () () () () () () ()
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630 Coi 631 Coi 632 Coi 632 Coi 633 Coi 634 Coi 635 Coi 636 Coi 640 Rei 641 Rei 642 Rei 650 Tra 657 Ins 657.1 Ins 665 Rei 670 Bai 675 Mii 403 Dei 408 Tax	ontractual Services Ontractual Services - Engineering Ontractual Services - Accounting Ontractual Services - Legal Ontractual Services - Management Fees Ontractual Services - Water Testing Ontractual Services - Other	0 0 695 590 138,062	() () () () () () () () () () () () () (
631 Coi 632 Coi 633 Coi 634 Coi 635 Coi 636 Coi 640 Rei 641 Rei 642 Rei 650 Tra 657 Ins 657.1 Ins 665 Rei 670 Bad 675 Mii 403 Dei 408 Tax	ontractual Services - Engineering ontractual Services - Accounting ontractual Services - Legal ontractual Services - Management Fees ontractual Services - Water Testing ontractual Services - Other	695 590 138,062	3,942 70 132,382
632 Coi 633 Coi 634 Coi 635 Coi 636 Coi 636 Coi 640 Rei 641 Rei 642 Rei 650 Tra 657 Ins 657.1 Ins 665 Rei 670 Bac 675 Mii 403 De 408 Tax	ontractual Services - Accounting ontractual Services - Legal ontractual Services - Management Fees ontractual Services - Water Testing ontractual Services - Other	590 138,062	70 132,382
633 Cor 634 Cor 635 Cor 636 Cor 640 Rer 641 Rer 642 Rer 650 Tra 657 Ins 657.1 Ins 665 Rer 670 Bar 675 Mir 403 Der 408 Tar 408.11 Pro	ontractual Services - Legal ontractual Services - Management Fees ontractual Services - Water Testing ontractual Services - Other	138,062	70 132,382
634 Cor 635 Cor 636 Cor 640 Rer 641 Rer 642 Rer 650 Tra 657 Ins 657.1 Ins 665 Rer 670 Bar 675 Mir 403 Der 408 Tar 408.11 Pro	ontractual Services - Management Fees ontractual Services - Water Testing ontractual Services - Other		
635 Cor 636 Cor 640 Rer 641 Rer 642 Rer 650 Tra 657 Ins 657.1 Ins 665 Rer 670 Bar 675 Mir 403 Der 408 Tar 408.11 Pro	ontractual Services - Water Testing ontractual Services - Other		*
636 Co 640 Rei 641 Rei 642 Rei 650 Tra 657 Ins 657.1 Ins 665 Rej 670 Bac 675 Mis 403 De 408 Tas 408.11 Pro	ontractual Services - Other		3,684
640 Ret 641 Rer 642 Rer 650 Tra 657 Ins 657.1 Ins 665 Reg 670 Bac 675 Mis 403 De 408 Tas		0	(
641 Ret 642 Rer 650 Tra 657 Ins 657.1 Ins 665 Reg 670 Bat 675 Mis 403 Deg 408 Tay	ALLS	0	(
642 Ret 650 Tra 657 Ins 657.1 Ins 665 Ret 670 Bac 675 Mid 403 Det 408 Taa 408.11 Pro	ental of Building/Real Property	0	(
650 Tra 657 Ins 657.1 Ins 665 Reg 670 Bac 675 Mic 403 Deg 408 Tag 408.11 Pro	ental of Equipment	0	(
657 Ins 657.1 Ins 665 Reg 670 Bac 675 Mi: 403 Deg 408 Tay 408.11 Pro	ransportation Expenses	3,900	6,169
657.1 Ins 665 Reg 670 Bao 675 Mis 403 De 408 Tas 408.11 Pro	surance - General Liability	1,786	2,910
665 Reg 670 Bac 675 Mis 403 De 408 Tax 408.11 Pro	surance - Health and Life	0	(
670 Bad 675 Mis 403 De 408 Tax 408.11 Pro	egulatory Commission Expense - Rate	0	(
675 Mis 403 Des 408 Tax 408.11 Pro	ad Debt Expense	2,328	1,169
403 De 408 Tax 408.11 Pro	iscellaneous Expense	357	479
408 Tax 408.11 Pro	epreciation Expense (From Schedule AR4)	23,644	19,33
408.11 Pro	axes Other Than Income	0	(
	operty Taxes	11,534	11,27
	come Taxes	17,855	14,61
427.1 Cu	stomer Security Deposit Interest	463	540
To	otal Operating Expenses	\$230,206	\$227,563
Op	perating Income / (Loss)	(\$2,992)	(\$4,21
Otl	ther Income / (Expense)		
	terest and Dividend Income	\$0	\$0
	on-Utility Income	621	372
		0	
	iscellaneous Non-Utility (Expense)	0	
	iscellaneous Non-Utility (Expense) terest (Expense)	\$621	\$372
Ne		\$021	İ

Mescal Lakes Water Systems Inc. Annual Report Full time equivalent employees 12/31/21

## Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			unable to	0.0
Engineering Staff			determine	0.0
System Operator(s)			without	0.0
Meter reader			significant	0.0
Customer Service			analysis	0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	0.0	0.0

Mescal Lakes Water Systems Inc. Annual Report Supplemental Financial Data (Long-Term Debt) 12/31/21

Supplemental Financial Data (Long-Term Debt)									
	Loan #1	Loan #2	Loan #3	Loan #4					
Date Issued	No Loans								
Source of Loan									
ACC Decision No.									
Reason for Loan									
Dollar Amt. Issued									
Amount Outstanding									
Date of Maturity									
Interest Rate									
Current Year Interest									
Current Year Principal									

Meter Deposit Balance at Test Year End:	\$9,507		
Meter Deposits Refunded During the Test Year		\$1,158	

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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.

Mescal Lakes Water Systems Inc. Annual Report Well and Water Usage

1	2	/2	1	12	1

				Well and Wate	er Usage						
Name of the System:		MESCAL LAKES	WATER SYSTEM								
ADEQ Public Water Syst	em Number:		AZ0402052				•				
ADWR PCC Number:			91-000062.0000								
Well registry 55# (55-			Casing Depth	Casing Diameter	Pump Motor		Water level	Water level	Meter Size	How	
XXXXXX):	Pump Horsepower	Pump Yield (gpm)	(feet)	(inches)	Type **	Year Drilled	2010	2021	(inches)	measured:	Active
55-800432	10	100	480	8	Submersible	1975	277	285	2	Metered	Yes
55-561268	20	140	400	8	Submersible	1997	277	257	2	Metered	Yes
55-208498	20	150	493	12	Submersible	2005	277	286	2	Metered	Yes

Name of system water delivered to:				
ADWR PCC Number:	NA			
Source of water delivered to another system			•	
-				
Name of system water received from:				
ADWR PCC Number:	NA			
Source of water received			•	
Well registry 55# (55-XXXXXX):	•			
		ı		

				Water received			
			Water delivered	(purchased) from	Estimated	Purchased	Purchased
	Water withdrawn	Water sold	(sold) to other	other systems	authorized use	Power	Power
Month	(gallons)1	(gallons)2	systems (gallons)3	(gallons)4	(gallons)5	Expense <sup>6</sup>	(kWh)7
January	2,713,800.00	2,275,693.00	0.00	0.00	0.00	\$1,049	6,637
February	2,149,700.00	1,817,470.00	0.00	0.00	0.00	1,098	6,759
March	2,587,700.00	1,933,464.00	0.00	0.00	0.00	1,027	6,235
April	3,518,000.00	3,100,800.00	0.00	0.00	1,000.00	1,548	8,028
May	3,426,300.00	3,051,966.00	0.00	0.00	2,000.00	1,705	9,329
June	4,015,067.00	3,433,909.00	0.00	0.00	2,000.00	2,007	11,795
July	3,826,110.00	3,653,467.00	0.00	0.00	2,000.00	2,159	13,764
August	3,007,599.00	2,827,279.00	0.00	0.00	1,000.00	1,458	8,108
September	3,000,448.00	2,556,134.00	0.00	0.00	2,000.00	1,433	9,010
October	2,897,938.00	2,732,355.00	0.00	0.00	0.00	1,626	9,266
November	3,123,739.00	2,661,536.00	0.00	0.00	3,000.00	1,368	8,121
December	2,396,652.00	2,095,952.00	0.00	0.00	6,000.00	1,265	7,730
Totals	36,663,053.00	32,140,025.00	0.00	0.00	19,000.00	\$17,745	104,782

f applicable, in the space below please provide a description for all un-metered water use along with amounts:	
lushing = 2,000 gallons, Construction = 17,000 gallons	

- 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.

Mescal Lakes Water Systems Inc. Annual Report Water Utility Plant Description 12/31/21

Water Utility Plant Description					
Name of the System: MESCAL LAKES WATER SYSTEM					
ADEQ Public Water System Number:	-	AZ0402052			
ADWR PCC Number:		91-000062.0000			

	MAINS			
Sizes (inches)	Material	Length (feet)		
3.00	PVC	1,870		
4.00	PVC	19,670		
6.00	PVC	46,141		

SERVICE LINES				
		Year		
Material	Percent of system	installed		
Black poly	30%	1997		
Copper	70%	1997		

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
7.5	75	1	
10	100	1	
15	150	2	

STURAGE TANKS					
			Year		
Capacity (gallons)	Material	Quantity	installed		
50,000	Steel	1	Unknown		
50,000	Steel	1	2005		

CUSTOMER METERS				
		Percent over	Percent over	
Size (inches)	Quantity	1,00,000 gallons	10 years old	
5/8 X 3/4	563	27%	59%	
0.75	4	27%	59%	
1	8	27%	59%	
Compound 2	4	27%	59%	

FIRE HYDRANTS			
Type Quantity			
Standard * (			
Other			

PRESSURE/BLADDER TANKS				
Capacity				
(gallons)	Material	Quantity	Year installed	
3,000	Steel	1	1997	
4,500	Steel	1	Unknown	

\* 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.

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

TREATMENT EQUIPMENT:	Two chlorinators
STRUCTURES:	770 feet of 6 foot chain link fence, 24 x 36 foot building, two 4 x 8 chlorine sheds
OTHER:	N/A

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 = ( Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day )

ERC 168
Method used: (a)

Mescal Lakes Water Systems Inc. Annual Report Customer and Other Information 12/31/21

Customer and Other Information				
Name of the System:	MESCAL LAKES	S WATER SYSTEM		
ADEQ Public Water System Number:		AZ0402052		
ADWR PCC Number:		91-000062.0000		

		Number of Customers								
Month	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non- Residential					
Month		Multi-Falling			Residential					
January	510	1	10	0	(					
February	514	1	10	0	(					
March	511	1	10	0	(					
April	514	1	11	0	(					
May	514	1	11	0	(					
June	516	1	11	0	(					
July	517	1	11	0	(					
August	528	1	11	0	(					
September	528	1	12	0	(					
October	522	1	12	0	(					
November	524	1	12	0	(					
December	525	1	12	0	(					

December	323	1	12		,	0	
		-			_		
If the system has	fire hydrants, what is t	he fire flow requir	ements?	N/A	A GPM for	N/A	hrs.
Ž	nave chlorination treatr			Ye	es		
	ny have an ADWR Gal e GPCPD amount:	lons Per Capita Pe	r Day (GCPCPD)	requirement?		No	
	ty located in an ADWI	R Active Managem	nent Area (AMA)	?		No	
If yes, which AM	A!					NA	
What is the prese	nt system connection c	apacity (in ERCs '	*) using existing li	ines?	Unk	nown	
What is the future	e system connection ca	pacity (in ERCs *)	) upon service area	a buildout?	Unk	nown	
Describe any plan	ns and estimated compl	letion dates for any	y enlargements or	improvements o	of this system.		

 $<sup>\</sup>boldsymbol{*}$  an ERC is based on the calculation on the bottom of AR9 page 12.

Mescal Lakes Water Systems Inc. Annual Report Utility Shutoffs / Disconnects 12/31/21

Utility Shutoffs / Disconnects					
Name of the System:	MESCAL LAKES WATER SYSTEM				
ADEQ Public Water Sys	AZ0402052				
ADWR PCC Number:		91-000062.0000			

		Termination with	
Month	Termination without	Notice R14-2-	
	Notice R14-2-410.B	410.C	Other
January	0	1	0
February	0	6	0
March	0	1	0
April	0	4	0
May	0	2	0
June	0	3	0
July	0	4	0
August	0	9	0
September	0	11	0
October	0	0	0
November	0	3	0
December	0	0	0
Total	0	44	0

Other (description):	NA

**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.

Mescal Lakes Water Systems Inc. Annual Report Property Taxes 12/31/21

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2021 was	\$11,404
	<del></del>
If no property taxes paid, explain why.	
N/A	

**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.

Mescal Lakes Water Systems Inc. Annual Report Verification and Sworn Statement (Taxes) 12/31/21

			Verificatio	n and Sworn State	ement (Taxes)			
Verification:	State of	Arizona (stat	e name)	I, the undersign	ned of the			
		county name): er or official) title ame:		Maricopa Bryan Thomas, Water Systems Inc.	CFO			
	DO SAY TI CORPORA	HAT THIS ANNU TION COMMISS	JAL UTILITY I ION.	PROPERTY TAX	AND SALES TAX RE	PORT TO THE	ARIZONA	
	FOR THE Y	YEAR ENDING:		12/31	/21			
	CORRECT REPORT IN	HAT I HAVE CA STATEMENT OI	AREFULLY EX F BUSINESS A ACH AND EV	AMINED THE SA ND AFFAIRS OF	HE ORIGINAL BOOK AME, AND DECLARE SAID UTILITY FOR T ND THING SET FOR T	E THE SAME TO THE PERIOD C	O BE A COMP	LETE AND
_					AID COMPANY ARE			L.
				B.S				
					623	of owner/officia -935-1100 ephone no.	I .	
			SUBSCRIBED IN AND FOR T		BEFORE ME A NOT	ARY PUBLIC	Morizo	9
÷		-	THIS	1272	D	AY OF	(county f (month) an	022
			VERONICA G Notary Public, S Maricopa Commission	tate of Arizonal	<u>Au</u>	(date)	023	·
			My Commission August 1	ion Expires 8	-Verini	signature of nota	Twally ary public)	

Mescal Lakes Water Systems Inc. Annual Report Verification and Sworn Statement 12/31/21

		Verification	on and Sworn Stat	ement	
Verification:			-		
	<u> </u>	izona	I, the undersigned	of the	
	County of (county name):	e name)	Maricopa		$\neg$
	Name (owner or official) title	:	Bryan Thomas, C	FO	
	Company name:	Mescal Lakes	Water Systems Inc		
	DO SAY THAT THIS ANNI	IAL LITILITY PE	ROPERTY TAX A	ND SALES TAX REPORT TO	THE ARIZONA
	CORPORATION COMMISS		(O1 D)(1 1 1717/11	ND DALLES TAXABLE ORT TO	, THE MUZOIWI
	FOR THE YEAR ENDING:	12/31/21			
	THAS REEN PREPAREITUN	DER MY DIREC	TION FROM TH	E ODICINIAL BOOKS DADEL	RS AND RECORDS OF SAID
				ME, AND DECLARE THE SA	
	1			OF SAID UTILITY FOR THE	
	1			R AND THING SET FORTH,	TO THE BEST OF MY
	KNOWLEDGE, INFORMAT	ION AND BELII	EF.		
	,				
Sworn Statement:	IN ACCORDANCE WITH T				
				PERATING REVENUE OF S.	
	FROM ARIZONA INTRAST	ATE UTILITY C	PERATIONS DU	RING THE CALENDAR YEA	R WAS:
			Arizona Intrastat	e Gross Operating Revenues O	nly (\$)
			(The amount in th	e box above includes	
				\$13,900 in sales taxes	}
			billed or collected	)	
					•
				B15	
			•	signature of	owner/official
				623-9	35-1100
					none no.
		CLIDCCDIDE	D AND CWADNIT	O BEFORE ME A NOTARY	DITELIC
			THE COUNTY	Moise WE A NOTART	
				7. 30770	(county name)
		THIS	12/2	DAY OF	12022
					(month) and (year)
		MY COMMIS	SSION EXPIRES	August 15	2023
	- THE		G GONZALEZ	(date)	
		Marico	State of Arizonal		0.1.0
		My Commi	on # 569848 sision Expires	Veronia	HIlase
		August	15, 2023	(signature of	notary public

Mescal Lakes Water Systems Inc. Annual Report Verification and Sworn Statement (Residential Revenue) 12/31/21

	····	Verification	n and Sworn	Statement (Residential R	evenue)	
Verification:		· crincatio	and Sworn	Statement (Residential R	evenue	
	State of	Ariz	ona	I, the undersigned of the		
		(state r		1., une unaciongnica or une		
		(5.2.55	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
	County of (co	ounty name):		Maricopa		1
		r or official) title:		Bryan Thomas, CFO		
	Company nar	·	Mescal Lak	es Water Systems Inc.		
						_
	DO SAY TH	AT THIS ANNU	AL UTILITY	PROPERTY TAX AND S.	ALES TAX REPOR	Γ TO THE ARIZONA
	CORPORAT	TON COMMISSI	ON.			
	FOR THE Y	EAR ENDING:	12/31/21			
	III AS DEEDNO	DIDLED A DÜNN LONG	N. W. N.			
				ECTION, FROM THE OR		
	DE A COM	ILIIY; IHAI II	AAVE CARE	FULLY EXAMINED THE	SAME, AND DECL	ARE THE SAME TO
				EMENT OF BUSINESS A		
				N RESPECT TO EACH AN		R AND THING SET
	FORTH, TO	THE BEST OF M	AY KNOWLE	EDGE, INFORMATION A	ND BELIEF.	
Sworn Statement:	IN ACCORD	DANCE WITH TH	IE REOUIRE	MENTS OF TITLE 40, AR	TICLE 8. SECTION	40-401. ARIZONA
	REVISED ST	TATUTES, IT IS	HEREIN RE	PORTED THAT THE GRO	OSS OPERATING RE	EVENUE OF SAID
				TRASTATE UTILITY OPI		
				HE CALENDAR YEAR W		LD I KOW
	<u> </u>					
		Arizona Intrast	ate Gross Ope	erating Revenues Only (\$)		
				\$234,	820	
				(The amount in the box at		
				\$13,	537 in sales taxes	
				billed or collected)	<del></del>	
				Π		
				<u> 31</u>	K-	
				/	signature of ow	ner/official
				1		
					623-935-	
					telephone	e no.
			SUBSCRIB	ED AND SWORN TO BE	EODE ME A NOTAE	V DI IDI IC
				R THE COUNTY	Molize	
				K IIID COOK!	<u> </u>	ounty name)
					(•	· · · · · · · · · · · · · · · · · · ·
			THIS	12+2	DAY OF	1701 3022
						(month) and (year)
						• • • •
			MY COMM	IISSION EXPIRES	August 15,	2023
Ā		VERONICA G GOI	NIZALEZ B		(date)	-
		otary Public, State	of Arizona	1 -		
		Maricopa Cou Commission # 5			11 00	1
		My Commiskion	Expires 🖁	Veronin	MIM	nel
		August 15, 2	023	(sig	gnature of notary pub	(%c)

Mescal Lakes Water Systems Inc. Annual Report Gross-up Sharing Method for Income Tax Statement of Certification 12/31/21

	Gross-up Sharing Method for Income Tax Statement of Certification
Verification:	
	State of Arizona I, the undersigned of the
	(state name)
	(State Harre)
	County of (county name): Maricopa
	Company name: Mescal Lakes Water Systems Inc.
	FOR THE AREA REPORTED TO
	FOR THE YEAR ENDING: 12/31/21
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 INCURRED OR 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.
	TAID DI DEVELOI EKS IN THE FERIOD COVERED BY THIS ANNUAL REPORT.
	$B_{\mu}$
	signature of owner/official
	· · · · · · · · · · · · · · · · · · ·
	623-935-1100
	telephone no.
	SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
	IN AND FOR THE COUNTY MOILEGE
	IN AND FOR THE COUNTY  Moticopa  (county name)
	(county name)
	THIS 1242 DAY OF 12022
	DATOr ////
	(month) and (year)
	MV COMMISSION EXPIDES Many Later 2 122
	MY COMMISSION EXPIRES August 15, 2023
	(date)
	VERONICA G GONZALEZ V Notary Public, State of Arizonal
	Adaminana (County)
	Commission # 569848 My Commission Expires  Mariedpa County  Commission # 569848  My Commission Expires
	August 15, 2023 (signature of notary public)