

ANNUAL REPORT

Of

Company Name: **Quail Creek Water Company**
9532 E. Riggs Rd.

Mailing Address: Sun Lakes AZ
85248

Docket No.: W-02514A
For the Year Ended: 12/31/19

**RECEIVED
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5/15/2020, 12:15 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER 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: 5/5/2020

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Quail Creek Water Company
A Class ☒ Utility

For the Calendar Year Ended: 12/31/19

Primary Address: 9532 E Riggs Road
City: Sun Lakes State: Arizona Zip Code: 85248

Telephone Number: 480-895-9200

Date of Original Organization of Utility: 1989

Person to whom correspondence should be addressed concerning this report:

Name: Brian Smith
Telephone No.: 480-895-9200
Address: 9532 E Riggs Road
City: Sun Lakes State: Arizona Zip Code: 85248
Email: Brian.Smith@Robson.com

On-Site Manager
Name: Ed MacMeans
Telephone No.: 520-825-3423
Address: 40004 S Ridgeview Blvd
City: Tucson State: Arizona Zip Code: 85739
Email: Ed.MacMeans@Robson.com

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

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

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

Ownership: "C" Corporation

Counties Served: Pima

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Quail Creek Water Company

Important changes during the year
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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?
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	If yes, please provide specific details in the box below.
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	n/a
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No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
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	If yes, please provide specific details in the box below.
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	n/a
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Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$37,295	\$0	\$0	\$37,295	\$0	\$37,295
302	Franchises	0	0	\$0	0	0	0
303	Land and Land Rights	92,895	0	\$0	92,895	0	92,895
304	Structures and Improvements	80,131	6,506	\$0	86,637	28,886	57,751
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	836,489	0	0	836,489	440,748	395,741
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	41,094	0	0	41,094	22,731	18,363
311	Pumping Equipment	1,256,471	0	0	1,256,471	952,156	304,315
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	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	865,231	0	0	865,231	563,243	301,988
330.2	Pressure Tanks	32,236	0	0	32,236	21,622	10,614
331	Transmission and Distribution Mains	3,768,812	395,488	0	4,164,300	1,805,356	2,358,944
333	Services	1,235,317	191,578	0	1,426,895	470,543	956,352
334	Meters and Meter Installations	181,089	61,891	0	242,980	92,954	150,026
335	Hydrants	641,371	101,054	0	742,425	238,870	503,555
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	2,071	0	0	2,071	1,146	925
340.1	Computer & Software	0	3,898	0	3,898	390	3,508
341	Transportation Equipment	36,986	15,399	0	52,385	23,033	29,352
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	7,575	1,267	0	8,842	2,016	6,826
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	77,085	10,232	2,250	85,067	25,429	59,638
347	Miscellaneous Equipment	1,955	0	0	1,955	789	1,166
348	Other Tangible Plant	1,056	0	0	1,056	1,056	0
	Totals	\$9,195,159	\$787,313	\$2,250	\$9,980,222	\$4,690,968	\$5,289,254

Quail Creek Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/19

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	\$37,295	\$0	\$0	\$37,295	\$37,295	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	92,895	0	0	92,895	92,895	0	0.00%	0
304	Structures and Improvements	80,131	6,506	0	86,637	0	86,637	3.33%	2,777
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	836,489	0	0	836,489	0	836,489	3.33%	27,855
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	41,094	0	0	41,094	0	41,094	5.00%	2,055
311	Pumping Equipment	1,256,471	0	0	1,256,471	0	1,256,471	12.50%	157,059
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	865,231	0	0	865,231	0	865,231	2.22%	19,208
330.2	Pressure Tanks	32,236	0	0	32,236	0	32,236	5.00%	1,612
331	Transmission and Distribution Mains	3,768,812	395,488	0	4,164,300	0	4,164,300	2.00%	79,331
333	Services	1,235,317	191,578	0	1,426,895	0	1,426,895	3.33%	44,326
334	Meters and Meter Installations	181,089	61,891	0	242,980	0	242,980	8.33%	17,662
335	Hydrants	641,371	101,054	0	742,425	0	742,425	2.00%	13,838
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	2,071	0	0	2,071	0	2,071	6.67%	138
340.1	Computer & Software	0	3,898	0	3,898	0	3,898	20.00%	390
341	Transportation Equipment	36,986	15,399	0	52,385	0	52,385	20.00%	8,937
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	7,575	1,267	0	8,842	0	8,842	5.00%	410
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	77,085	10,232	2,250	85,067	0	85,067	10.00%	8,108
347	Miscellaneous Equipment	1,955	0	0	1,955	0	1,955	10.00%	196
348	Other Tangible Plant	1,056	0	0	1,056	1,056	0	10.00%	0
	Subtotal	\$9,195,159	\$787,313	\$2,250	\$9,980,222	\$131,246	\$9,848,976		\$383,901

Contribution(s) in Aid of Construction (Gross)	\$820,205
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$820,205
Times: Proposed Amortization Rate	3.90%
Amortization of CIAC	\$31,971

Less: Amortization of CIAC **\$31,971**

DEPRECIATION EXPENSE \$351,931

Quail Creek Water Company
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		\$76,022	\$543,557
132	Special Deposits		0	0
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		110,622	102,999
142	Other Receivables		0	0
145	Accounts Receivable – Related party		286	1,395
146	Notes Receivable from Associated Companies		3,550,718	2,939,065
151	Plant Material and Supplies		0	0
162	Prepayments		6,038	82,435
174	Miscellaneous Current and Accrued Assets		52,793	23,997
181	Unamortized Debt Discounts		0	0
	Total Current and Accrued Assets		\$3,796,479	\$3,693,448
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$9,195,159	\$9,980,222
103	Property Held for Future Use		258,221	258,221
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(4,309,316)	(4,690,968)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$5,144,064	\$5,547,475
	Total Assets		\$8,940,543	\$9,240,923

*Note these items feed automatically from AR3 UPIS Page 4

Quail Creek Water Company
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		\$12,153	\$29,612
232	Notes Payable (Current Portion)		0	0
233	Accounts Payable - Related Party		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		244,785	287,540
236	Accrued Taxes		161,152	251,898
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		5,227	7,826
	Total Current Liabilities		\$423,317	\$576,876
	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		0	0
253.1	Excess Accumulated Deferred Income Taxes		402,896	383,415
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		820,205	820,205
272	Less: Amortization of Contributions		(449,014)	(480,984)
281	Accumulated Deferred Income Tax		816,225	795,861
	Total Deferred Credits		\$1,590,312	\$1,518,497
	Total Liabilities		\$2,013,629	\$2,095,373
	Capital Accounts			
201	Common Stock Issued		\$3,500	\$3,500
211	Other Paid-In Capital		3,195,896	3,195,896
215	Retained Earnings		3,727,518	3,946,154
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$6,926,914	\$7,145,550
	Total Liabilities and Capital		\$8,940,543	\$9,240,923

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

Quail Creek Water Company
Annual Report
Water Comparative Income Statement
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$1,343,126	\$1,237,569
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	18,978	20,327
	Total Revenues	\$1,362,104	\$1,257,896
	Operating Expenses		
601	Salaries and Wages	\$101,213	\$86,936
603	Salaries and Wages - Officers	9,734	9,734
604	Employee Pensions and Benefits	14,362	14,916
610	Purchased Water	0	0
615	Purchased Power	90,237	84,670
618	Chemicals	9,917	7,761
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	28,339	38,213
620.2	Office Supplies and Expense	24,027	22,390
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	1,525	925
633	Contractual Services - Legal	2,585	12,844
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	8,370	7,699
636	Contractual Services - Other	20,016	20,480
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	10,394	6,772
656	Insurance - Vehicles	3,315	1,475
657	Insurance - General Liability	9,292	7,182
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	28,796	28,796
670	Bad Debt Expense	3,021	1,103
675	Miscellaneous Expense	6,548	4,706
403	Depreciation Expense (From Schedule AR4)	351,931	334,807
407.5	Amortization – EADIT	(19,480)	(19,480)
408	Taxes Other Than Income	0	0
408.11	Property Taxes	57,345	47,056
408.12	Payroll Taxes	10,377	4,209
408.13	Other Taxes and Licenses	4,327	4,625
409	Income Taxes	190,534	160,271
427.1	Customer Security Deposit Interest	0	0
434	Rate Case Adjustments	0	0
	Total Operating Expenses	\$966,725	\$888,090
	Operating Income / (Loss)	\$395,379	\$369,806
	Other Income / (Expense)		
419	Interest and Dividend Income	\$172,350	\$126,898
421	Non-Utility Income	909	803
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$173,259	\$127,701
	Net Income / (Loss)	\$568,638	\$497,507

Quail Creek Water Company
Annual Report
Full time equivalent employees
12/31/19

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.00	0.00	0.00	0.00
Vice-president	0.00	0.00	0.01	0.01
Manager	0.00	0.16	0.01	0.17
Engineering Staff	0.00	0.00	0.00	0.00
System Operator(s)	0.00	1.29	0.00	1.29
Meter reader	0.18	0.00	0.00	0.18
Customer Service	0.00	0.18	0.00	0.18
Accounting	0.00	0.00	0.20	0.20
Business Office	0.00	0.00	0.00	0.00
Rates Department	0.00	0.00	0.00	0.00
Administrative Staff	0.00	0.23	0.00	0.23
Other	0.00	0.00	0.00	0.00
Total	0.18	1.87	0.22	2.28

Quail Creek Water Company
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	N/A	N/A	N/A	N/A
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amt. Issued	N/A	N/A	N/A	N/A
Amount Outstanding	N/A	N/A	N/A	N/A
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	N/A	N/A	N/A	N/A
Current Year Interest	N/A	N/A	N/A	N/A
Current Year Principal	N/A	N/A	N/A	N/A

Meter Deposit Balance at Test Year End:	\$287,540
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Meter Deposits Refunded During the Test Year:	\$35,803
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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

[illegible]

Name of system water delivered to:	NA	
ADWR PCC Number:		#N/A
Source of water delivered to another system	NA	

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

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	13,735,000.00	12,051,554.00	0.00	0.00	0.00	\$6,024	40,610
February	13,318,000.00	12,167,435.00	0.00	0.00	0.00	6,268	41,202
March	14,584,000.00	12,104,438.00	0.00	0.00	0.00	6,300	41,346
April	19,431,000.00	18,706,992.00	0.00	0.00	0.00	6,798	48,102
May	15,858,000.00	13,234,339.00	0.00	0.00	0.00	7,627	52,010
June	18,178,000.00	16,473,396.00	0.00	0.00	0.00	8,295	51,250
July	19,560,000.00	18,189,656.00	0.00	0.00	0.00	8,845	55,548
August	21,601,000.00	16,041,738.00	0.00	0.00	0.00	8,938	56,339
September	17,661,000.00	17,937,533.00	0.00	0.00	0.00	9,193	58,146
October	16,484,000.00	14,485,535.00	0.00	0.00	0.00	6,193	42,656
November	17,487,000.00	14,797,453.00	0.00	0.00	875,100.00	8,592	61,002
December	11,478,000.00	10,541,554.00	0.00	0.00	0.00	7,193	50,095
Totals	199,375,000.00	176,731,623.00	0.00	0.00	875,100.00	\$90,267	598,306

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

n/a	
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- | | |
|---|---|
| 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:	QUAIL CREEK WATER COMPANY INC.	
ADEQ Public Water System Number:	AZ0410262	
ADWR PCC Number:	91-000482.0000	

MAINS

[illegible]

SERVICE LINES

SERVICE LINES		
Material	Percent of system	Year installed
Copper	48%	1989
Other	2%	1998
NA	NA	
NA	NA	
NA	NA	

BOOSTER PUMPS

BOOSTER PUMPS			
Horsepower	GPM		Quantity
20		575	3
40		1,000	1
NA		NA	NA
NA		NA	NA

STORAGE TANKS

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
750,000	Steel	1	1989
750,000	Steel	1	1,996
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

CUSTOMER METERS

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	2,455	34%	unknown
0.75	13	78%	unknown
1	187	91%	unknown
1.5	9	62%	unknown
2	11	100%	unknown
3	6	26%	unknown
4	1	100%	unknown
6	2	100%	unknown
8	2	1	0
10	10	1	0
12	1	4	0
14	0	0	0
16	0	0	0
18	0	0	0
20	0	0	0
22	0	0	0
24	0	0	0
26	0	0	0
28	0	0	0
30	0	0	0

FIRE HYDRANTS

Type	Quantity
Standard *	290
Other	0

PRESSURE/BLADDER TANKS

Capacity (gallons)	Material	Quantity	Year installed
13,000	Steel	1	1996
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

* 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.

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

TREATMENT EQUIPMENT:	Chlorine System
STRUCTURES:	Fences, sound enclosure, storage container, chlorine building, shed
OTHER:	Generators, golf carts, vehicles, trailers, Scada System, meter readers, pumps, misc tools

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	149
Method used:	(a)

Customer and Other Information	
Name of the System:	QUAIL CREEK WATER COMPANY INC.
ADEQ Public Water System Number:	AZ0410262
ADWR PCC Number:	91-000482.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	2,486	0	24	41	0
February	2,503	0	24	41	0
March	2,508	0	25	41	0
April	2,523	0	26	41	0
May	2,598	0	26	41	0
June	2,554	0	26	41	0
July	2,565	0	26	43	0
August	2,573	0	25	43	0
September	2,588	0	23	43	0
October	2,602	0	22	39	0
November	2,611	0	21	44	0
December	2,617	0	21	43	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.

Replace Well 55-608598 - estimated completion summer 2020

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

Quail Creek Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	QUAIL CREEK WATER COMPANY INC.
ADEQ Public Water System Number:	AZ0410262
ADWR PCC Number:	91-000482.0000

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	4	0
April	0	0	0
May	0	3	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	2	0
November	0	0	0
December	0	0	0
Total	0	9	0

Other (description):

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.

Quail Creek Water Company
Annual Report
Property Taxes
12/31/19

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

Amount of actual property taxes paid during Calendar Year 2019 was
--

\$52,170

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.

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: Brian Smith - Vice President
Company name: Quail Creek Water Company

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

FOR THE YEAR ENDING: 12/31/19

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: 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.

RECEIVED
BY EMAIL

5/15/2020, 12:15 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official

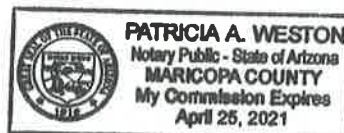
480-895-9200
telephone no.

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

THIS 15th DAY OF May, 2020
(month) and (year)

MY COMMISSION EXPIRES

4/25/21
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name):

Maricopa

Name (owner or official) title:

Brian Smith - Vice President

Company name:

Quail Creek Water Company

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$1,473,076

(The amount in the box above includes


\$110,973

in sales taxes
billed or collected)

RECEIVED
BY EMAIL

5/15/2020, 12:15 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



signature of owner/official

480-895-9200

telephone no.

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

THIS

15th

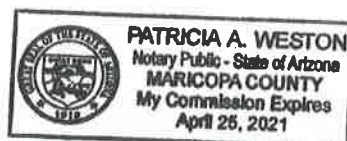
DAY OF

Maricopa
(county name)

May 2020
(month) and (year)

MY COMMISSION EXPIRES

4/25/21
(date)




(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):

Maricopa

Name (owner or official) title:

Brian Smith - Vice President

Company name:

Quail Creek Water Company

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

FOR THE YEAR ENDING: 12/31/19

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 (\$)

\$1,191,947

(The amount in the box above includes

\$90,165

in sales taxes
billed or collected)

**RECEIVED
BY EMAIL**

5/15/2020, 12:15 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION


signature of owner/official

480-895-9200

telephone no.

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

Maricopa
(county name)

THIS

15th


DAY OF

May, 2020
(month) and (year)

MY COMMISSION EXPIRES

4/25/21
(date)




(signature of notary public)