

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: 12/31/22

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: 5/10/2023

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

For the Calendar Year Ended: 12/31/22

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. :

480-895-4235

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:	85248		

Email:

ed.macmeans@robson.com

Regulatory and Management Contact
Name:

Brian Smith

Telephone No. :

480-895-4235

Address:

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

Email:

NA

NA
Name:

NA

Telephone No. :

NA

Address:

NA			
City:	NA	State:	NA
Zip Code:	NA		

Email:

NA

NA
Name:

NA

Telephone No. :

N/A

Address:

NA			
City:	NA	State:	NA
Zip Code:	NA		

Email:

NA

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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Yes	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.
	In December 2022, the Company repurchased .1285266457680250% ownership interest from the Edward J Robson Family Foundation

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	OCLD (OC less AD)
301	Organization	\$37,295	\$0	\$0	\$37,295	\$0	\$37,295
302	Franchises	6,948	0	0	6,948	0	6,948
303	Land and Land Rights	92,895	0	0	92,895	0	92,895
304	Structures and Improvements	91,642	50,915	0	142,557	38,639	103,918
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	836,490	831,528	0	1,668,018	538,158	1,129,860
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	58,126	0	0	58,126	30,173	27,953
311	Pumping Equipment	1,270,064	346,009	500	1,615,573	1,439,285	176,288
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	1,886	711	1,175	(691)	1,866
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	2,391	0	867,622	620,894	246,728
330.2	Pressure Tanks	37,664	0	1,782	35,882	25,127	10,755
331	Transmission and Distribution Mains	4,410,589	415,019	9,000	4,816,608	2,057,662	2,758,946
333	Services	1,567,010	169,426	0	1,736,436	623,276	1,113,160
334	Meters and Meter Installations	514,789	49,465	6,032	558,222	186,431	371,791
335	Hydrants	797,117	64,217	0	861,334	285,698	575,636
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	795	655	2,211	910	1,301
340.1	Computer & Software	30,805	0	0	30,805	11,319	19,486
341	Transportation Equipment	52,385	2,250	0	54,635	54,635	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	11,930	0	0	11,930	3,630	8,300
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	12,700	0	0	12,700	953	11,747
346	Communication Equipment	85,066	13,662	5,840	92,888	45,760	47,128
347	Miscellaneous Equipment	1,955	0	0	1,955	1,376	579
348	Other Tangible Plant	1,056	0	0	1,056	1,056	0
	Totals	\$10,783,828	\$1,947,563	\$24,520	\$12,706,871	\$5,964,291	\$6,742,580

Quail Creek Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/22

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	6,948	0	0	6,948	6,948	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	91,642	50,915	0	142,557	0	142,557	3.33%	3,899
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	0
307	Wells and Springs	836,490	831,528	0	1,668,018	0	1,668,018	3.33%	41,700
308	Infiltration Galleries	0	0	0	0	0	0	6.67%	0
309	Supply Mains	0	0	0	0	0	0	2.00%	0
310	Power Generation Equipment	58,126	0	0	58,126	0	58,126	5.00%	2,906
311	Pumping Equipment	1,270,064	346,009	500	1,615,573	0	1,615,573	12.50%	180,352
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	1,886	711	1,175	0	1,175	3.33%	20
320.2	Solution Chemical Feeders	0	0	0	0	0	0	20.00%	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	2,391	0	867,622	0	867,622	2.22%	19,235
330.2	Pressure Tanks	37,664	0	1,782	35,882	0	35,882	5.00%	1,839
331	Transmission and Distribution Mains	4,410,589	415,019	9,000	4,816,608	0	4,816,608	2.00%	92,272
333	Services	1,567,010	169,426	0	1,736,436	0	1,736,436	3.33%	55,002
334	Meters and Meter Installations	514,789	49,465	6,032	558,222	0	558,222	8.33%	44,691
335	Hydrants	797,117	64,217	0	861,334	0	861,334	2.00%	16,585
336	Backflow Prevention Devices	0	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	6.67%	0
340	Office Furniture and Equipment	2,071	795	655	2,211	0	2,211	6.67%	143
340.1	Computer & Software	30,805	0	0	30,805	0	30,805	20.00%	5,642
341	Transportation Equipment	52,385	2,250	0	54,635	0	54,635	20.00%	10,648
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	11,930	0	0	11,930	0	11,930	5.00%	597
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	12,700	0	0	12,700	0	12,700	5.00%	635
346	Communication Equipment	85,066	13,662	5,840	92,888	0	92,888	10.00%	9,157
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	\$10,783,828	\$1,947,563	\$24,520	\$12,706,871	\$138,194	\$12,568,677		\$485,518

Contribution(s) in Aid of Construction (Gross)	\$820,205
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$820,205</u>
Times: Proposed Amortization Rate	3.86%
Amortization of CIAC	\$31,684

Less: Amortization of CIAC \$31,684

DEPRECIATION EXPENSE **\$453,834**

Quail Creek Water Company
Annual Report
Balance Sheet Assets
12/31/22

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets			
131	Cash		\$2,312,628	\$555,140
132	Special Deposits		0	0
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		151,844	141,919
142	Other Receivables		0	0
145	Accounts Receivable – Related party		2,277	5,714
146	Notes Receivable from Associated Companies		2,891,791	3,744,989
151	Plant Material and Supplies		0	0
162	Prepayments		1,529	8,998
174	Miscellaneous Current and Accrued Assets		0	0
181	Unamortized Debt Discounts		0	0
	Total Current and Accrued Assets		\$5,360,069	\$4,456,760
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$10,783,828	\$12,706,871
103	Property Held for Future Use		258,221	258,221
105	Construction Work in Progress		664	567
108	Accumulated Depreciation (enter as negative)*		(5,503,292)	(5,964,291)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$5,539,421	\$7,001,368
	Total Assets		\$10,899,490	\$11,458,128

*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 (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities			
231	Accounts Payable		\$2,325	\$32,869
232	Notes Payable (Current Portion)		0	0
233	Accounts Payable - Related Party		515,342	623,170
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		396,228	437,734
236	Accrued Taxes		210,948	78,563
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		10,916	14,877
	Total Current Liabilities		\$1,135,759	\$1,187,213
	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		344,454	324,974
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		820,205	820,205
272	Less: Amortization of Contributions		(546,491)	(578,174)
281	Accumulated Deferred Income Tax		798,882	778,780
	Total Deferred Credits		\$1,417,050	\$1,345,785
	Total Liabilities		\$2,552,809	\$2,532,998
	Capital Accounts			
201	Common Stock Issued		\$3,500	\$3,500
211	Other Paid-In Capital		3,195,896	3,195,896
215	Retained Earnings		5,147,285	5,725,734
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$8,346,681	\$8,925,130
	Total Liabilities and Capital		\$10,899,490	\$11,458,128

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
12/31/22

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	Operating Revenue		
461	Metered Water Revenue	\$1,626,018	\$1,608,293
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	22,396	25,305
	Total Revenues	\$1,648,414	\$1,633,598
	Operating Expenses		
601	Salaries and Wages	\$156,748	\$141,490
603	Salaries and Wages - Officers	9,734	9,733
604	Employee Pensions and Benefits	14,237	19,687
610	Purchased Water	0	0
615	Purchased Power	136,415	113,813
618	Chemicals	15,624	12,201
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	20,735	35,709
620.2	Office Supplies and Expense	31,620	37,224
630	Contractual Services	0	0
631	Contractual Services -Engineering	1,206	0
632	Contractual Services - Accounting	965	975
633	Contractual Services - Legal	895	1,118
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	2,497	3,472
636	Contractual Services - Other	20,004	20,049
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	479	599
650	Transportation Expenses	16,557	15,906
656	Insurance - Vehicles	5,603	4,077
657	Insurance - General Liability	18,041	17,735
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	1,362	261
675	Miscellaneous Expense	4,131	3,652
403	Depreciation Expense (From Schedule AR4)	453,834	388,438
407.5	Amortization – EADIT	(19,480)	(19,480)
408	Taxes Other Than Income	9,674	4,954
408.11	Property Taxes	58,819	62,041
408.12	Payroll Taxes	8,619	8,825
409	Income Taxes	184,517	206,961
427.1	Customer Security Deposit Interest	0	0
434	Rate Case Adjustments	0	0
	Total Operating Expenses	\$1,152,836	\$1,089,440
	Operating Income / (Loss)	\$495,578	\$544,158
	Other Income / (Expense)		
419	Interest and Dividend Income	\$88,054	\$80,410
421	Non-Utility Income	1,105	1,079
426	Miscellaneous Non-Utility (Expense)	(10)	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$89,149	\$81,489
	Net Income / (Loss)	\$584,727	\$625,647

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.2	0.0	0.2
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	1.5	0.0	1.5
Meter reader	0.2	0.2	0.0	0.3
Customer Service	0.0	0.2	0.0	0.2
Accounting	0.0	0.0	0.3	0.3
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.4	0.0	0.4
Other	0.0	0.0	0.0	0.0
Total	0.2	2.4	0.3	2.8

Quail Creek Water Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/22

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:	\$437,736
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Meter Deposits Refunded During the Test Year:	\$55,428
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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											
Name of the System: QUAIL CREEK WATER COMPANY INC.											
ADEQ Public Water System Number:				AZ0410262							
ADWR PCC Number:				91-000482.0000							
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2011 2	Water level 2012 22	Meter Size (inches)	How measured:	Active
55-608597	75	300	459	16	Submersible	1952	unknown	unknown	8	Metered	Yes
55-608522	125	675	2,000	2	turbine	1974	unknown	unknown	8	Metered	Yes
55-219145	150	900	13,000	20	turbine	2011	unknown	unknown	8	Metered	Yes
55-608598	200	900	60	8.13	lineshaft	2020	unknown	unknown	8	Metered	Yes
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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 Expense ⁶	Purchased Power (kWh) ⁷
January	16,472,000.00	14,057,092.00	0.00	0.00	0.00	\$8,502	54,155
February	16,343,000.00	14,912,601.00	0.00	0.00	0.00	8,504	53,594
March	19,895,000.00	15,836,066.00	0.00	0.00	0.00	8,777	58,002
April	18,560,000.00	19,587,517.00	0.00	0.00	0.00	10,359	65,403
May	24,432,000.00	17,266,681.00	0.00	0.00	0.00	13,887	79,798
June	24,302,000.00	21,422,225.00	0.00	0.00	0.00	13,586	75,555
July	28,511,000.00	20,719,037.00	0.00	0.00	0.00	11,984	67,870
August	13,715,000.00	16,820,908.00	0.00	0.00	0.00	9,676	53,529
September	20,147,000.00	17,416,606.00	0.00	0.00	0.00	11,692	62,212
October	16,976,000.00	16,463,829.00	0.00	0.00	0.00	10,431	59,081
November	23,058,000.00	18,790,041.00	0.00	0.00	0.00	10,865	62,050
December	15,584,000.00	15,457,264.00	0.00	0.00	0.00	8,507	52,535
Totals	237,995,000.00	208,749,867.00	0.00	0.00	0.00	\$126,770	743,784

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

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		
Sizes (inches)	Material	Length (feet)
4.00	PVC	360
6.00	PVC	55,993
6.00	ACP, DIP, PVC	441
8.00	PVC	90,421
8.00	ACP, DIP, PVC	12,488
12.00	PVC	22,114
16.00	PVC	500
21.00	PVC	4,225
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA

SERVICE LINES		
Material	Percent of system	Year installed
Copper	92%	1989
Other	8%	1998
NA	NA	NA
NA	NA	NA
NA	NA	NA

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	2,921	29%	unknown
0.75	30	30%	unknown
1	231	18%	unknown
1.5	12	75%	unknown
2	15	67%	unknown
3	11	55%	unknown
4	1	100%	unknown
6	2	100%	unknown
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

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

FIRE HYDRANTS	
Type	Quantity
Standard *	317
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
750,000	Steel	1	2004
750,000	Steel	1	1989
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
18,000	Steel	1	2004
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)
--

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	145
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	3,013	0	62	3	8
February	3,015	0	64	3	7
March	3,040	0	66	3	8
April	3,063	0	66	3	8
May	3,072	0	66	3	9
June	3,090	0	66	3	11
July	3,091	0	66	3	10
August	3,127	0	66	3	9
September	3,109	0	66	3	8
October	3,125	0	66	3	8
November	3,162	0	66	3	8
December	3,177	0	66	3	8

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.

Expansion to the north will include new well, 90' diameter tank, booster pumps and hydro pneumatic tank. Anticipated completion 2026.

Unit 28 - Mains and Hydrants - Estimated completion August 2023

Unit 36 - Mains and Hydrants - Estimated completion April 2023

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

Quail Creek Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/22

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	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	5	0
November	0	0	0
December	0	2	0
Total	0	7	0

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 2021 was	\$60,430

If no property taxes paid, explain why.
NA

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.

4/14/2023, 10:43 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Quail Creek Water Company
Annual Report
Verification and Sworn Statement (Taxes)
12/31/22

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:

12/31/22

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]
signature of owner/official

480-895-9200

telephone no.

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

THIS

12th

DAY OF

Maricopa
(county name)

April, 2023
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(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: 12/31/22

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 (\$)

\$1,782,661

(The amount in the box above includes

\$134,247 in sales taxes

billed or collected)

[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

12th

DAY OF

Maricopa
(county name)

April, 2023
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(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): 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: 12/31/22

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 (\$)

\$1,439,975

(The amount in the box above includes

\$108,882 in sales taxes
billed or collected)


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

12th

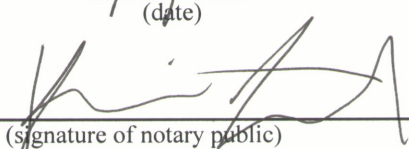
DAY OF

April, 2023
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(date)




(signature of notary public)

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

FOR THE YEAR ENDING: 12/31/22

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 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

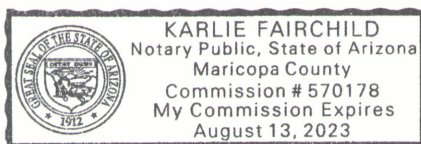
12th

DAY OF

April, 2023
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(date)




(signature of notary public)