

RECEIVED
UTILITIES DIVISION

2022 MAY 20 A 9:46

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-20435A

For the Year Ended:

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:

Application Date:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Sonoita Valley 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:

Important changes during the year
--

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

Sonoita Valley Water Company
 Annual Report
 Utility Plant in Service (Water)
 12/31/21

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	\$198			\$198	\$198	\$0
302	Franchises				0		0
303	Land and Land Rights				0		0
304	Structures and Improvements	6,835			6,835	3,425	3,410
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	81,659			81,659	38,402	43,257
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	150,200	1,286		151,486	126,477	25,009
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders	4,821			4,821	4,821	0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes				0		0
330.1	Storage Tanks	27,818	8,623		36,441	12,642	23,799
330.2	Pressure Tanks	13,336			13,336	6,568	6,768
331	Transmission and Distribution Mains	180,968			180,968	122,624	58,344
333	Services	15,715			15,715	5,041	10,674
334	Meters and Meter Installations	10,345			10,345	9,747	598
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment				0		0
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	\$491,895	\$9,909	\$0	\$501,804	\$329,945	\$171,859

Sonoita Valley Water Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/21

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	\$198	\$0	\$0	\$198		\$198	6.60%	\$131
302	Franchises	0	0	0	0		0		0
303	Land and Land Rights	0	0	0	0		0		0
304	Structures and Improvements	6,835	0	0	6,835		6,835	3.33%	228
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	81,659	0	0	81,659	6,882	74,777	3.33%	2,490
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	150,200	1,286	0	151,486	101,907	49,579	12.50%	6,117
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	4,821	0	0	4,821	4,821	0	20.00%	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	27,818	8,623	0	36,441	5,777	30,664	2.22%	585
330.2	Pressure Tanks	13,336	0	0	13,336		13,336	5.00%	667
331	Transmission and Distribution Mains	180,968	0	0	180,968	103,695	77,273	2.00%	1,545
333	Services	15,715	0	0	15,715	2,508	13,207	3.33%	440
334	Meters and Meter Installations	10,345	0	0	10,345	590	9,755	8.33%	813
335	Hydrants	0	0	0	0		0		0
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	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	0	0	0		0		0
347	Miscellaneous Equipment	0	0	0	0		0		0
348	Other Tangible Plant	0	0	0	0		0		0
	Subtotal	\$491,895	\$9,909	\$0	\$501,804	\$226,180	\$275,624		\$13,015

Contribution(s) in Aid of Construction (Gross) \$5,200
 Less: Non Amortizable Contribution(s) 0
 Fully Amortized Contribution(s) 5,200
 Amortizable Contribution(s) \$0
 Times: Proposed Amortization Rate 4.72%
 Amortization of CIAC \$0

Less: Amortization of CIAC \$0
DEPRECIATION EXPENSE **\$13,015**

Sonoita Valley Water Company
 Annual Report
 Balance Sheet Assets
 12/31/21

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets			
131	Cash		\$18,106	\$3,726
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		5,054	4,605
146	Notes Receivable from Associated Companies			
151	Plant Material and Supplies			
162	Prepayments			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$23,160	\$8,331
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$491,895	\$501,804
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(316,930)	(329,945)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$174,965	\$171,859
	Total Assets		\$198,125	\$180,190

*Note these items feed automatically from AR3 UPIS Page 4

Sonoita Valley Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current Liabilities			
231	Accounts Payable		\$498	\$189,131
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		2,974	5,744
236	Accrued Taxes		335	351
237	Accrued Interest			
242	Miscellaneous Current and Accrued Liabilities			
	Total Current Liabilities		\$3,807	\$195,226
	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		17,512	14,379
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		5,200	5,200
272	Less: Amortization of Contributions		(5,200)	(5,200)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$17,512	\$14,379
	Total Liabilities		\$21,319	\$209,605
	Capital Accounts			
201	Common Stock Issued		\$1,000	\$1,000
211	Other Paid-In Capital		333,210	333,210
215	Retained Earnings		(157,404)	(363,625)
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$176,806	(\$29,415)
	Total Liabilities and Capital		\$198,125	\$180,190

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

Sonoita Valley Water Company
Annual Report
Water Comparative Income Statement
12/31/21

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2021 - 12/31/2021	Last Year 01/01/2020 - 12/31/2020
	Operating Revenue		
461	Metered Water Revenue	\$65,453	\$66,986
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue	597	388
	Total Revenues	\$66,050	\$67,374
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water	156,110	45,375
615	Purchased Power	8,860	8,383
618	Chemicals		
620	Materials and Supplies	4,569	
620.1	Repairs and Maintenance	11,999	6,186
620.2	Office Supplies and Expense	17,507	2,096
630	Contractual Services	5,190	6,838
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	3,198	2,975
633	Contractual Services - Legal		
634	Contractual Services - Management Fees	9,524	10,766
635	Contractual Services - Water Testing	2,764	3,252
636	Contractual Services - Other	29,082	
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses	5,415	
657	Insurance - General Liability	1,836	1,635
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense	1,538	
675	Miscellaneous Expense	25	
403	Depreciation Expense (From Schedule AR4)	13,015	11,796
408	Taxes Other Than Income		
408.11	Property Taxes	1,737	3,553
409	Income Taxes		
427.1	Customer Security Deposit Interest		61
	Total Operating Expenses	\$272,369	\$102,916
	Operating Income / (Loss)	(\$206,319)	(\$35,542)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$56	\$66
421	Non-Utility Income	42	44
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	Total Other Income / (Expense)	\$98	\$110
	Net Income / (Loss)	(\$206,221)	(\$35,432)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.5	0.0	0.0	0.5
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.5	0.5
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	1.0	1.0
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	0.1	0.1
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
Total	0.5	0.0	1.6	2.1

Sonoita Valley Water Company
 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:	\$4,356
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Meter Deposits Refunded During the Test Year:	\$168
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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.

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:	Two chlorinators
STRUCTURES:	250 feet of chain link fence for 15 x 15 foot area
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:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC 150
 Method used: (a)

Water Utility Plant Description (Continued)
--

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

TREATMENT EQUIPMENT:	Chlorinator
STRUCTURES:	50 x 50 foot chain link fence
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 days.
- (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

174

 Method used:

(a)

Customer and Other Information	
Name of the System:	SONOITA VALLEY WATER CO
ADEQ Public Water System Number:	AZ0412005
ADWR PCC Number:	91-000591.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	57	0	0	0	0
February	57	0	0	0	0
March	57	0	0	0	0
April	58	0	0	0	0
May	59	0	0	0	0
June	57	0	0	0	0
July	56	0	0	0	0
August	59	0	0	0	0
September	56	0	0	0	0
October	56	0	0	0	0
November	56	0	0	0	0
December	54	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.

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

Customer and Other Information	
Name of the System:	SONOITA VALLEY WATER COMPANY
ADEQ Public Water System Number:	AZ0412308
ADWR PCC Number:	91-000601.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	1	0	15	0	0
February	1	0	15	0	0
March	1	0	15	0	0
April	1	0	15	0	0
May	1	0	15	0	0
June	1	0	15	0	0
July	1	0	16	0	0
August	1	0	16	0	0
September	1	0	16	0	0
October	1	0	16	0	0
November	1	0	16	0	0
December	1	0	16	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.

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

Sonoita Valley Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	SONOITA VALLEY WATER CO
ADEQ Public Water System Number:	AZ0412005
ADWR PCC Number:	91-000591.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	0	0
February	0	3	0
March	0	3	0
April	0	1	0
May	0	0	0
June	0	0	0
July	0	2	0
August	0	2	0
September	0	0	0
October	0	1	0
November	0	0	0
December	0	1	0
Total	0	13	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.

Sonoita Valley Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	SONOITA VALLEY WATER COMPANY
ADEQ Public Water System Number:	AZ0412308
ADWR PCC Number:	91-000601.0000

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
Total	0	0	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.

Sonoita Valley Water Company
Annual Report
Property Taxes
12/31/21

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2021 was	\$1,737
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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.

RECEIVED
UTILITY DIVISION

2022 MAY 20 A 9 46

ARIZONA CORPORATION

Verification and Sworn Statement (Taxes)

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

County of (county name): Pima
Name (owner or official) title: GARY WENE, MANAGER
Company name: Sonoita Valley Water Company

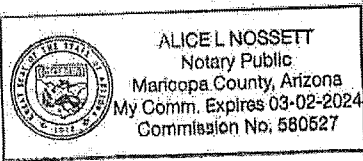
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/21

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.



[Handwritten Signature]

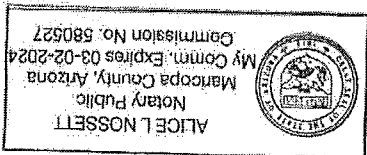
signature of owner/official

520-624-1460 x 110
telephone no.

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

THIS 2nd DAY OF MAY, 2022
(month) and (year)

MY COMMISSION EXPIRES 3-2-24
(date)



[Handwritten Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Pima
Name (owner or official) title: GARY WENE, MANAGER
Company name: Sonoita Valley Water Company

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

FOR THE YEAR ENDING: 12/31/21

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 (\$)

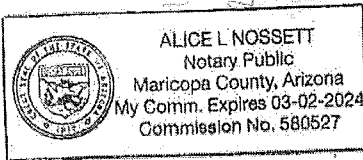
\$71,308

(The amount in the box above includes

\$5,258 in sales taxes billed or collected)

[Signature]
signature of owner/official

520-624-1460 x 110
telephone no.



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

THIS 2nd DAY OF May 2 2022
(month) and (year)

MY COMMISSION EXPIRES 3-2-24
(date)

[Signature]
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Pima
 Name (owner or official) title: GARY WENE, MANAGER
 Company name: Sonoita Valley Water Company

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

FOR THE YEAR ENDING: 12/31/21

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:

RECEIVED
 UTILITY CORPORATION
 2022 MAY 20 A 9 46
 ARIZONA CORPORATION

Arizona Intrastate Gross Operating Revenues Only (\$)

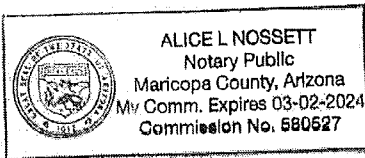
\$71,308
 (The amount in the box above includes
\$5,258 in sales taxes
 billed or collected)

[Signature]

 signature of owner/official

520-624-1460 x 110

 telephone no.



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

THIS 2nd DAY OF May 2, 2022
(month/h) and (year)

MY COMMISSION EXPIRES 3-2-24
(date)

[Signature]

 (signature of notary public)

Sonoita Valley Water Company
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/21

RECEIVED
UTILITIES DIVISION

Full Gross-up Method for Income Tax Statement of Certification

Verification:

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

County of (county name): Pima
Name (owner or official) title: GARY WENE, MANAGER
Company name: Sonoita Valley Water Company

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.

[Signature]
signature of owner/official

520-624-1460 x 110
telephone no.

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

Maricopa
(county name)

THIS 2nd

DAY OF MAY 2, 2022
(month) and (year)

MY COMMISSION EXPIRES

3-2-24
(date)

[Signature]
(signature of notary public)

