

**ANNUAL REPORT**

Of

Company Name: Spanish Trail Water Company

2200 E. River Rd., Ste 115

Mailing Address: Tucson AZ  
85718

Docket No.: W-01816A

For the Year Ended: 12/31/22

RECEIVED  
UTILITIES DIVISION  
2023 MAR 23 A 10:41  
ARIZONA CORPORATION  
COMMISSION

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:  
Arizona Corporation Commission  
Compliance Section - Utilities Division  
1200 West Washington Street  
Phoenix, Arizona 85007

Application Type: Original Filing  
Application Date: 3/9/2023

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

For the Calendar Year Ended: 12/31/22

Primary Address: 2200 E. River Road Ste 115  
City: Tucson State: Arizona Zip Code: 85718

Telephone Number: 520-577-0200

Date of Original Organization of Utility: 2/20/1980

Person to whom correspondence should be addressed concerning this report:

Name: Brian Deatherage  
Telephone No. : 520-577-0200  
Address: 2200 E. River Road Ste 115  
City: Tucson State: Arizona Zip Code: 85718  
Email: bdeatherage@diamonddcn.com

**Regulatory and Management Contact**

Name: Mark Weinberg  
Telephone No. : 520-577-0200  
Address: 2200 E. River Road Ste 115  
City: Tucson State: Arizona Zip Code: 85718  
Email: mweinberg@diamonddcn.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: "S" Corporation

Counties Served: Pima

**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
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	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. AZ DEQ notified Spanish Trail Water in 2022 of a 2021 Disinfected by-product (DBP) violation. The water quality was not an issue, it was a chain of custody issue. The original request was for 2 samples and the chain of custody ordered was labeled 1. Our third party contractor, Southwestern Utilities quickly corrected the issue once we were notified.
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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	\$3,394	\$0	\$0	\$3,394	\$0	\$3,394
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	1,594	0	0	1,594	1,594	0
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	506,316	0	0	506,316	142,411	363,905
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	176,141	0	0	176,141	151,838	24,303
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	16,900	0	0	16,900	1,970	14,930
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	1,165,389	0	0	1,165,389	103,055	1,062,334
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	2,980,327	1,248,409	0	4,228,736	404,941	3,823,795
333	Services	465,221	488,605	0	953,826	55,266	898,560
334	Meters and Meter Installations	175,769	104,640	0	280,409	96,351	184,058
335	Hydrants	116,607	170,249	0	286,856	5,201	281,655
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	6,906	0	0	6,906	863	6,043
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	4,720	0	0	4,720	708	4,012
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$5,619,284</b>	<b>\$2,011,903</b>	<b>\$0</b>	<b>\$7,631,187</b>	<b>\$964,198</b>	<b>\$6,666,989</b>

Spanish Trail 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	\$3,394	\$0	\$0	\$3,394	\$3,394	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0	0.00%	0
304	Structures and Improvements	1,594	0	0	1,594	1,594	0	3.33%	0
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	3.33%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	506,316	0	0	506,316	0	506,316	3.33%	16,860
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	176,141	0	0	176,141	0	176,141	12.50%	22,018
320	Water Treatment Equipment	0	0	0	0	0	0	3.33%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	16,900	0	0	16,900	0	16,900	3.33%	563
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	3.33%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	2.22%	0
330.1	Storage Tanks	1,165,389	0	0	1,165,389	16,526	1,148,863	2.22%	25,505
330.2	Pressure Tanks	0	0	0	0	0	0	2.22%	0
331	Transmission and Distribution Mains	2,980,327	1,248,409	0	4,228,736	0	4,228,736	2.00%	72,091
333	Services	465,221	488,605	0	953,826	0	953,826	3.33%	23,627
334	Meters and Meter Installations	175,769	104,640	0	280,409	0	280,409	8.33%	19,000
335	Hydrants	116,607	170,249	0	286,856	0	286,856	2.00%	4,035
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	0	0	0	0	0	0	6.67%	0
340.1	Computer & Software	0	0	0	0	0	0	20.00%	0
341	Transportation Equipment	0	0	0	0	0	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	5.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	6,906	0	0	6,906	0	6,906	5.00%	345
346	Communication Equipment	0	0	0	0	0	0	5.00%	0
347	Miscellaneous Equipment	4,720	0	0	4,720	0	4,720	10.00%	472
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$5,619,284</b>	<b>\$2,011,903</b>	<b>\$0</b>	<b>\$7,631,187</b>	<b>\$21,514</b>	<b>\$7,609,673</b>		<b>\$184,515</b>

Contribution(s) in Aid of Construction (Gross)	\$286,349
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$286,349</u>
Times: Proposed Amortization Rate	2.42%
<b>Amortization of CIAC</b>	<b>\$6,943</b>

Less: Amortization of CIAC \$6,943

**DEPRECIATION EXPENSE** **\$177,572**

Spanish Trail 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.	<b>Current and Accrued Assets</b>		
131	Cash	\$141,218	\$2,566
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	32,912	28,895
146	Notes Receivable from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	18,053	18,053
174	Miscellaneous Current and Accrued Assets	0	142,612
	<b>Total Current and Accrued Assets</b>	<b>\$192,184</b>	<b>\$192,126</b>
Account No.	<b>Fixed Assets</b>		
101	Utility Plant in Service*	\$5,619,284	\$7,631,187
103	Property Held for Future Use	12,000	12,000
105	Construction Work in Progress	345,782	1,756,286
108	Accumulated Depreciation (enter as negative)*	(779,685)	(964,198)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility	0	0
	<b>Total Fixed Assets</b>	<b>\$5,197,381</b>	<b>\$8,435,275</b>
	<b>Total Assets</b>	<b>\$5,389,565</b>	<b>\$8,627,401</b>

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

Spanish Trail Water Company  
Annual Report  
Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$0	\$0
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		183,245	312,381
236	Accrued Taxes		9,906	9,028
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	<b>Total Current Liabilities</b>		<b>\$193,151</b>	<b>\$321,409</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		1,412,901	3,197,597
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		286,439	286,439
272	Less: Amortization of Contributions		(62,141)	(69,084)
281	Accumulated Deferred Income Tax		0	0
	<b>Total Deferred Credits</b>		<b>\$1,637,199</b>	<b>\$3,414,952</b>
	<b>Total Liabilites</b>		<b>\$1,830,350</b>	<b>\$3,736,361</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$1,000	\$1,000
211	Other Paid-In Capital		7,702,970	9,122,970
215	Retained Earnings		(4,144,754)	(4,232,930)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>\$3,559,216</b>	<b>\$4,891,040</b>
	<b>Total Liabilities and Capital</b>		<b>\$5,389,566</b>	<b>\$8,627,401</b>

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

Spanish Trail Water Company  
Annual Report  
Water Comparative Income Statement  
12/31/22

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2022 -	Last Year 01/01/2021 - 12/31/2021
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$598,259	\$378,695
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	100,000
	<b>Total Revenues</b>	<b>\$598,259</b>	<b>\$478,695</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	83,261	61,206
618	Chemicals	4,053	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	11,194	42,259
620.2	Office Supplies and Expense	1,561	1,767
630	Contractual Services	0	0
631	Contractual Services - Engineering	24,279	5,113
632	Contractual Services - Accounting	128,427	100,097
633	Contractual Services - Legal	1,050	0
634	Contractual Services - Management Fees	12,000	12,000
635	Contractual Services - Water Testing	539	32
636	Contractual Services - Other	1,166	26,037
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	12,371	12,521
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	183,615	27,533
403	Depreciation Expense (From Schedule AR4)	177,572	130,104
408	Taxes Other Than Income	31,743	24,411
408.11	Property Taxes	13,604	15,544
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$686,435</b>	<b>\$458,624</b>
	<b>Operating Income / (Loss)</b>	<b>(\$88,176)</b>	<b>\$20,071</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	<b>Total Other Income / (Expense)</b>	<b>\$0</b>	<b>\$0</b>
	<b>Net Income / (Loss)</b>	<b>(\$88,176)</b>	<b>\$20,071</b>



Spanish Trail Water Company  
 Annual Report  
 Full time equivalent employees  
 12/31/22

**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President	0.0	0.1	0.0	0.1
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	1.0	1.0
Engineering Staff	0.0	0.1	1.0	1.1
System Operator(s)	0.0	0.0	1.0	1.0
Meter reader	0.0	0.8	0.2	1.0
Customer Service	0.0	0.0	0.5	0.5
Accounting	0.0	0.2	0.5	0.7
Business Office	0.0	0.2	0.0	0.2
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.2	0.0	0.2
Other	0.0	0.0	0.0	0.0
<b>Total</b>	0.0	1.4	4.2	5.6

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				
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:	\$312,281
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Meter Deposits Refunded During the Test Year:	\$16,813
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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.**





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

<b>TREATMENT EQUIPMENT:</b>	Chlorinator
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<b>STRUCTURES:</b>	n/a
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<b>OTHER:</b>	Both the Los Reales well site and the 700K reservoir site have concrete/block walls surrounding them.
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**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
- (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	196
Method used:	(a)

Customer and Other Information	
Name of the System:	SPANISH TRAIL WATER COMPANY
ADEQ Public Water System Number:	AZ0410127
ADWR PCC Number:	91-000444.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	698	1	4	10	0
February	744	1	4	10	0
March	782	1	4	10	0
April	836	1	4	10	0
May	865	1	4	10	0
June	895	1	4	10	0
July	908	1	4	10	0
August	906	1	4	10	0
September	970	1	4	10	0
October	988	1	4	10	0
November	986	1	4	10	0
December	1,024	1	4	10	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.  
 Improvements are currently being constructed. A new well location was equipped in 2019 and in 2020 a new 700,000 gallon reservoir was put into service. This infrastructure will sustain additional units for the next couple of years (the first phase of the newest improvement is 811 residential lots - to come online throughout the next 4 years). 2021 saw the completion of the subdivisions water line work, lots began selling and new customers have been added quickly throughout 2021. 2022 saw a substantial increase in SFR units coming online from the home builders. Construction is in process for 2 additional phases to be complete in 2023/2024.

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

Spanish Trail Water Company  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	SPANISH TRAIL WATER COMPANY
ADEQ Public Water System Number:	AZ0410127
ADWR PCC Number:	91-000444.0000

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	16	0
April	0	4	0
May	0	46	0
June	0	44	0
July	0	71	0
August	0	77	0
September	0	37	0
October	0	33	0
November	0	0	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>328</b>	<b>0</b>

Other (description):

**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 2022 was	\$14,574

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): Pima  
Name (owner or official) title: Mark Weinberg, General Manager  
Company name: Spanish Trail 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.

RECEIVED  
UTILITIES DIVISION  
2023 MAR 23 A 10:42  
ARIZONA CORPORATION  
ARIZONA CORPORATION  
COMMISSION



signature of owner/official

520-577-0200  
telephone no.

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

THIS

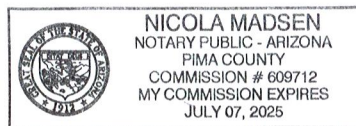
21<sup>ST</sup>

DAY OF

PIMA  
(county name)  
March, 2023  
(month) and (year)

MY COMMISSION EXPIRES

July 7, 2025  
(date)



Nicola Madsen  
(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: Mark Weinberg, General Manager  
Company name: Spanish Trail 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:

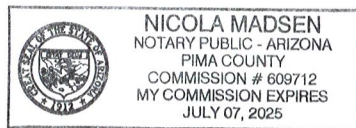
RECEIVED  
UTILITIES DIVISION  
2023 MAR 23 A 10:42  
ARIZONA CORPORATION  
COMMISSION

Arizona Intrastate Gross Operating Revenues Only (\$) \$598,259  
(The amount in the box above includes \$31,743 in sales taxes billed or collected)

[Signature]  
signature of owner/official  
520-577-0200  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY PIMA  
(county name)  
THIS 21<sup>ST</sup> DAY OF March, 2023  
(month) and (year)

MY COMMISSION EXPIRES July 7, 2025  
(date)



Nicola Madsen  
(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): Pima  
Name (owner or official) title: Mark Weinberg, General Manager  
Company name: Spanish Trail 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:

RECEIVED  
UTILITIES DIVISION  
2023 MAR 23 A 10:42  
ARIZONA CORPORATION  
COMMISSION

Arizona Intrastate Gross Operating Revenues Only (\$)

\$255,204

(The amount in the box above includes

\$13,541 in sales taxes  
billed or collected)

[Signature]  
signature of owner/official

520-577-0200

telephone no.

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

Pima

(county name)

THIS

21<sup>ST</sup>

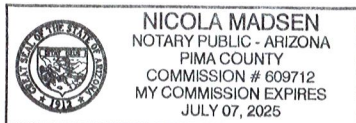
DAY OF

March, 2023

(month) and (year)

MY COMMISSION EXPIRES

July 7, 2025  
(date)



[Signature]  
(signature of notary public)

**Self-pay Method for Income Tax Statement of Certification**

**Verification:**

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

County of (county name): Pima  
Name (owner or official) title: Mark Weinberg, General Manager  
Company name: Spanish Trail 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.


RECEIVED  
UTILITIES DIVISION  
2023 MAR 23 A 10:42  
ARIZONA CORPORATION  
COMMISSION

[Signature]  
signature of owner/official  
520-577-0200  
telephone no.

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

THIS 21<sup>ST</sup> DAY OF March, 2023  
(month) and (year)

MY COMMISSION EXPIRES July 7, 2025  
(date)

 NICOLA MADSEN  
NOTARY PUBLIC - ARIZONA  
PIMA COUNTY  
COMMISSION # 609712  
MY COMMISSION EXPIRES  
JULY 07, 2025

[Signature]  
(signature of notary public)