

ANNUAL REPORT

Of

Company Name:

1010 N. Finance Center Dr., Ste 200

Mailing Address: Tucson AZ
85710

**RECEIVED
BY EMAIL
3/23/2021, 2:36 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

Docket No.:

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
Vail Water Company
A Class Utility

For the Calendar Year Ended: 12/31/21

Primary Address: 6375 E. Tanque Verde Rd., Suite 150
City: Tucson State: Arizona Zip Code: 85715

Telephone Number: 520-571-1958

Date of Original Organization of Utility: 6/10/1959

Person to whom correspondence should be addressed concerning this report:

Name: Christopher T. Volpe
Telephone No. : 520-571-1958
Address: 6375 E. Tanque Verde Rd., Suite 150
City: Tucson State: Arizona Zip Code: 85715
Email: kvolpe@estesco.net

On-Site Manager

Name: Manny Oros
Telephone No. : 520-647-3679
Address: 6375 E. Tanque Verde Rd., Suite 150
City: Tucson State: Arizona Zip Code: 85715
Email: operator@vailwater.com

Regulatory and Management Contact

Name: Christopher T. Volpe
Telephone No. : 520-571-1958
Address: 6375 E. Tanque Verde Rd., Suite 150
City: Tucson State: Arizona Zip Code: 85715
Email: kvolpe@estesco.net

Statutory Agent

Name: Christopher T. Volpe
Telephone No. : 520-571-1958
Address: 6375 E. Tanque Verde Rd., Suite 150
City: Tucson State: Arizona Zip Code: 85715
Email: kvolpe@estesco.net

Management Contact

Name: Christopher T. Volpe
Telephone No. : 520-571-1958
Address: 6375 E. Tanque Verde Rd., Suite 150
City: Tucson State: Arizona Zip Code: 85715
Email: kvolpe@estesco.net

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.
	No change.

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.
	No change.

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	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	0	\$0	\$0	0	0	0
303	Land and Land Rights	17,750	\$0	\$0	17,750	0	17,750
304	Structures and Improvements	398,006	\$0	\$0	398,006	230,072	167,934
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	1,094,596	\$0	\$0	1,094,596	669,422	425,174
308	Infiltration Galleries	0	\$0	\$0	0	0	0
309	Supply Mains	1,009,336	\$0	\$0	1,009,336	358,014	651,322
310	Power Generation Equipment	0	\$0	\$0	0	0	0
311	Pumping Equipment	2,637,432	\$14,865	\$0	2,652,297	1,414,053	1,238,244
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	1,584,151	\$0	\$0	1,584,151	619,837	964,314
330.2	Pressure Tanks	0	\$0	\$0	0	0	0
331	Transmission and Distribution Mains	20,154,141	\$1,863,718	\$0	22,017,859	5,696,178	16,321,681
333	Services	23,579	\$0	\$0	23,579	18,575	5,004
334	Meters and Meter Installations	1,414,266	\$203,152	\$56,429	1,560,989	486,951	1,074,038
335	Hydrants	915,768	\$128,931	\$0	1,044,699	250,310	794,389
336	Backflow Prevention Devices	9,442	\$0	\$0	9,442	10,810	(1,368)
339	Other Plant and Misc. Equipment	9,566	\$0	\$0	9,566	4,834	4,732
340	Office Furniture and Equipment	43,228	\$4,615	\$0	47,843	28,656	19,187
340.1	Computer & Software	61,212	\$0	\$0	61,212	40,162	21,050
341	Transportation Equipment	112,247	\$0	\$0	112,247	110,916	1,331
342	Stores Equipment	0	\$0	\$0	0	0	0
343	Tools, Shop and Garage Equipment	15,645	\$0	\$0	15,645	15,436	209
344	Laboratory Equipment	0	\$0	\$0	0	0	0
345	Power Operated Equipment	47,564	\$0	\$0	47,564	10,701	36,863
346	Communication Equipment	0	\$0	\$0	0	0	0
347	Miscellaneous Equipment	9,656	\$0	\$0	9,656	9,656	0
348	Other Tangible Plant	0	\$0	\$0	0	0	0
	Totals	\$29,557,585	\$2,215,281	\$56,429	\$31,716,437	\$9,974,583	\$21,741,854

Vail 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	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	17,750	0	0	17,750	0	17,750	0.00%	0
304	Structures and Improvements	398,006	0	0	398,006	58,449	339,557	3.33%	11,307
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	1,094,596	0	0	1,094,596	28,383	1,066,213	3.33%	35,505
308	Infiltration Galleries	0	0	0	0	0	0	6.67%	0
309	Supply Mains	1,009,336	0	0	1,009,336	0	1,009,336	2.00%	20,187
310	Power Generation Equipment	0	0	0	0	0	0	5.00%	0
311	Pumping Equipment	2,637,432	14,865	0	2,652,297	1,534,473	1,117,824	12.50%	138,799
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	3.33%	0
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	10.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	1,584,151	0	0	1,584,151	0	1,584,151	2.22%	35,168
330.2	Pressure Tanks	0	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	20,154,141	1,863,718	0	22,017,859	0	22,017,859	2.00%	421,720
333	Services	23,579	0	0	23,579	12,451	11,128	3.33%	371
334	Meters and Meter Installations	1,414,266	203,152	56,429	1,560,989	643,714	917,275	8.33%	70,298
335	Hydrants	915,768	128,931	0	1,044,699	0	1,044,699	2.00%	19,605
336	Backflow Prevention Devices	9,442	0	0	9,442	4,427	5,015	6.67%	335
339	Other Plant and Misc. Equipment	9,566	0	0	9,566	6,554	3,012	6.67%	201
340	Office Furniture and Equipment	43,228	4,615	0	47,843	13,359	34,484	6.67%	2,146
340.1	Computer & Software	61,212	0	0	61,212	19,453	41,759	20.00%	8,352
341	Transportation Equipment	112,247	0	0	112,247	78,188	34,059	20.00%	6,812
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	15,645	0	0	15,645	795	14,850	5.00%	743
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	47,564	0	0	47,564	0	47,564	5.00%	2,378
346	Communication Equipment	0	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	9,656	0	0	9,656	5,190	4,466	10.00%	447
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$29,557,585	\$2,215,281	\$56,429	\$31,716,437	\$2,405,436	\$29,311,001		\$774,372

Contribution(s) in Aid of Construction (Gross)	\$23,803,896
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	3,189,250
Amortizable Contribution(s)	\$20,614,646
Times: Proposed Amortization Rate	2.64%
Amortization of CIAC	\$544,622

Less: Amortization of CIAC **\$544,622**

DEPRECIATION EXPENSE \$229,750

Vail 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		\$435,829	\$590,018
134	Working Funds		0	0
135	Temporary Cash Investments		3,402,072	3,593,226
141	Customer Accounts Receivable		587,513	352,995
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		1,652,134	1,589,402
174	Miscellaneous Current and Accrued Assets		33,000	33,000
	Total Current and Accrued Assets		\$6,110,548	\$6,158,641
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$29,557,585	\$31,716,437
103	Property Held for Future Use		0	0
105	Construction Work in Progress		26,455	0
108	Accumulated Depreciation (enter as negative)*		(9,247,016)	(9,974,583)
121	Non-Utility Property		138,116	138,116
122	Accumulated Depreciation - Non Utility		(134,616)	(134,616)
	Total Fixed Assets		\$20,340,524	\$21,745,354
	Total Assets		\$26,451,072	\$27,903,995

*Note these items feed automatically from AR3 UPIS Page 4

Vail 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		\$125,141	\$171,815
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		524,319	627,042
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$649,460	\$798,857
	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		10,018,329	11,808,373
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		11,696,826	11,995,523
272	Less: Amortization of Contributions		(3,189,250)	(3,733,871)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$18,525,905	\$20,070,025
	Total Liabilities		\$19,175,365	\$20,868,882
	Capital Accounts			
201	Common Stock Issued		\$638,099	\$638,099
211	Other Paid-In Capital		2,445,314	2,445,314
215	Retained Earnings		4,192,294	3,951,700
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$7,275,707	\$7,035,113
	Total Liabilities and Capital		\$26,451,072	\$27,903,995

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

Vail 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	\$2,923,049	\$2,901,978
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	1,247,875	1,372,499
	Total Revenues	\$4,170,924	\$4,274,477
	Operating Expenses		
601	Salaries and Wages	\$391,394	\$382,581
604	Employee Pensions and Benefits	8,115	7,211
610	Purchased Water	1,285,434	1,428,756
615	Purchased Power	154,575	145,761
618	Chemicals	333	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	101,248	63,020
620.2	Office Supplies and Expense	88,985	77,067
630	Contractual Services	0	0
631	Contractual Services - Engineering	61,187	17,260
632	Contractual Services - Accounting	20,015	21,781
633	Contractual Services - Legal	1,158	303
634	Contractual Services - Management Fees	187,649	179,055
635	Contractual Services - Water Testing	9,135	8,814
636	Contractual Services - Other	60,499	59,809
640	Rents	10,125	10,993
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	24,454	19,497
657	Insurance - General Liability	49,904	45,339
657.1	Insurance - Health and Life	10,788	11,921
665	Regulatory Commission Expense - Rate	13,814	14,681
670	Bad Debt Expense	9,118	3,637
675	Miscellaneous Expense	17,186	20,846
403	Depreciation Expense (From Schedule AR4)	229,750	219,409
408	Taxes Other Than Income	0	0
408.11	Property Taxes	199,543	193,615
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	6,834	4,591
	Total Operating Expenses	\$2,941,243	\$2,935,947
	Operating Income / (Loss)	\$1,229,681	\$1,338,530
	Other Income / (Expense)		
419	Interest and Dividend Income	\$21,389	\$61,027
421	Non-Utility Income	108,336	57,346
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$129,725	\$118,373
	Net Income / (Loss)	\$1,359,406	\$1,456,903

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	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	1.0	0.0	0.0	1.0
Meter reader	3.0	0.0	0.0	3.0
Customer Service	2.0	0.0	0.0	2.0
Accounting	0.0	0.0	0.0	0.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.5	0.0	0.0	0.5
Other	0.0	0.0	0.0	0.0
Total	6.5	0.0	0.0	6.5

Vail 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	None	None	None	None
Source of Loan	None	None	None	None
ACC Decision No.	None	None	None	None
Reason for Loan	None	None	None	None
Dollar Amt. Issued	None	None	None	None
Amount Outstanding	None	None	None	None
Date of Maturity	None	None	None	None
Interest Rate	None	None	None	None
Current Year Interest	None	None	None	None
Current Year Principal	None	None	None	None

Meter Deposit Balance at Test Year End:	\$627,042
---	-----------

Meter Deposits Refunded During the Test Year:	\$85,619
---	----------

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: VAIL WATER COMPANY											
ADEQ Public Water System Number:			AZ0410041								
ADWR PCC Number:			91-000417.0000								
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2011	Water level 2021	Meter Size (inches)	How measured:	Active
55-087813 (7)	0	0	0	0	0	0	0	0	0	N/A	No
55-087814 (5)	300	975	924	14	Turbine	1981	523	539	8	Metered	Yes
55-087815 (4)	0	0	0	0	0	0	0	0	0	N/A	No
55-087816 (8)	125	550	845	12	Turbine	1981	457	473	10	Metered	Yes
55-087817 (6)	125	700	759	14	Turbine	1981	470	469	8	Metered	Yes
55-602949 (1)	0	0	0	0	0	0	0	0	0	N/A	No
55-625703 (3)	100	600	614	12	Turbine	1974	408	386	8	Metered	Yes
55-625704 (2)	0	0	0	0	0	0	0	0	0	N/A	No
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N/A	No
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N/A	No
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N/A	No
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N/A	No
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N/A	No
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N/A	No
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N/A	No
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N/A	No
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	N/A	No

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:	TUCSON, CITY OF
ADWR PCC Number:	91-000439.0000
Source of water received	CAP
Well registry 55# (55-XXXXXX):	55-217513

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	4,956,000.00	33,729,696.00	8,687,230.00	31,439,936.00	0.00	\$9,183	51,187
February	2,959,000.00	29,889,777.00	7,052,160.00	29,985,076.00	1,000,000.00	6,599	31,664
March	5,171,000.00	38,549,406.00	9,420,260.00	37,130,720.00	77,910.00	7,687	37,824
April	8,733,000.00	41,532,886.00	19,478,430.00	35,171,708.00	65,387.00	8,946	51,575
May	9,615,000.00	42,242,577.00	17,999,090.00	37,531,648.00	142,715.00	12,878	83,428
June	13,953,000.00	58,614,877.00	25,101,760.00	47,808,420.00	413,407.00	19,462	103,064
July	7,920,000.00	42,746,763.00	7,234,990.00	37,137,452.00	248,252.00	21,539	114,704
August	8,178,000.00	37,829,224.00	7,287,610.00	34,628,660.00	365,961.00	8,757	33,276
September	7,933,000.00	35,443,475.00	10,259,000.00	30,994,876.00	22,639.00	10,999	48,626
October	8,316,000.00	37,291,181.00	17,861,620.00	34,291,312.00	431,863.00	13,832	68,441
November	6,291,000.00	40,349,319.00	17,069,640.00	37,717,152.00	316,310.00	12,126	79,425
December	2,500,000.00	33,016,146.00	4,485,520.00	32,746,692.00	68,155.00	10,605	63,291
Totals	86,525,000.00	471,235,327.00	151,937,310.00	426,583,652.00	3,152,599.00	\$142,614	766,505

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 (a) 385,607 - flushing, (b) 735,000 - Rincon Valley Fire fire flow testing; and (c) 2,046,792 leaks.

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 (Continued)
--

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

TREATMENT EQUIPMENT:	100% CAP water received directly from City of Tucson already chlorinated. 1.02% residual of calcium hypochloride.
-----------------------------	---

STRUCTURES:	Administrative office 57x35 steel building
--------------------	--

OTHER:	None
---------------	------

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	3
Method used:	(b)

Customer and Other Information	
Name of the System:	VAIL WATER COMPANY
ADEQ Public Water System Number:	AZ0410041
ADWR PCC Number:	91-000417.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	5,413	0	63	68	53
February	5,462	0	63	66	53
March	5,479	0	64	58	56
April	5,504	0	64	58	55
May	5,502	0	64	58	57
June	5,535	0	64	58	57
July	5,577	0	64	58	58
August	5,570	0	64	58	55
September	5,588	0	64	65	56
October	5,619	0	64	62	58
November	5,624	0	64	62	58
December	5,689	0	65	64	56

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.

None.

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

Vail Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	VAIL WATER COMPANY
ADEQ Public Water System Number:	AZ0410041
ADWR PCC Number:	91-000417.0000

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	15	0
April	0	51	0
May	0	26	0
June	0	52	0
July	0	0	0
August	0	19	0
September	0	37	0
October	0	40	0
November	0	39	0
December	0	0	0
Total	0	279	0

Other (description):

None.

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

\$199,543

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: Christopher T. Volpe
Company name: Vail 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.

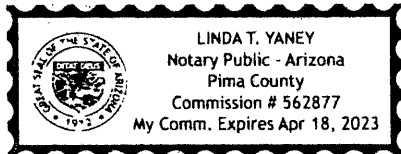
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Christopher T. Volpe
signature of owner/official

520-571-1958
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Pima
THIS 23rd DAY OF March 2022
(month) and (year)

MY COMMISSION EXPIRES 4-18-23
(date)



Linda T. Yaney
(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:

Christopher T. Volpe

Company name:

Vail 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:

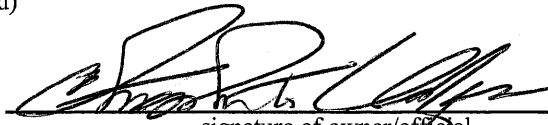
Arizona Intrastate Gross Operating Revenues Only (\$)

\$4,411,574

(The amount in the box above includes

\$240,650 in sales taxes

billed or collected)


signature of owner/official

520-571-1958

telephone no.

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

Pima

(county name)

THIS

23rd

DAY OF

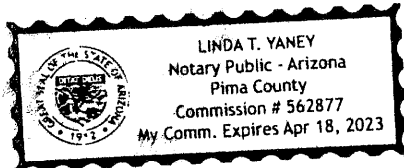
March, 2022

(month) and (year)

MY COMMISSION EXPIRES

4-18-23

(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): Pima
Name (owner or official) title: Christopher T. Volpe
Company name: Vail 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:

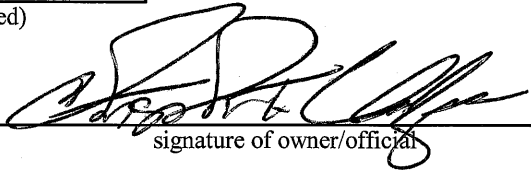
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$2,587,199

(The amount in the box above includes

\$198,311 in sales taxes
billed or collected)


signature of owner/official

520-571-1958

telephone no.

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

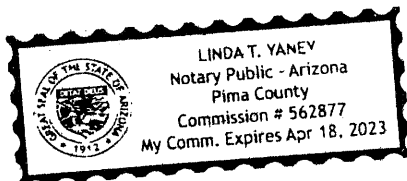
(county name)

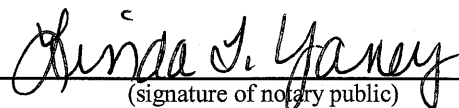
THIS 23rd

DAY OF March, 2022
(month) and (year)

MY COMMISSION EXPIRES

4-18-23
(date)




(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: Christopher T. Volpe
Company name: Vail 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 of owner/official

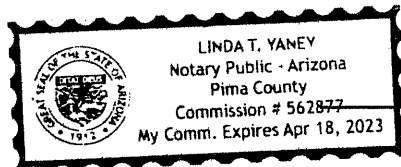
520-571-1958
telephone no.

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

(county name)

THIS 23rd DAY OF March, 2022
(month) and (year)

MY COMMISSION EXPIRES 4-18-23
(date)




(signature of notary public)