

ANNUAL REPORT

Of

Company Name:
6808 N. Dysart Rd., Ste. 112

Mailing Address: Glendale AZ
85307

Docket No.: W-01412A
For the Year Ended:

**RECEIVED
BY EMAIL**

4/14/2020, 08:25 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type:

Application Date:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Valley Utilities Water Company, Inc.
A Class Utility

For the Calendar Year Ended: 12/31/19

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
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No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	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

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	742,171	3,678	0	745,849	0	745,849
304	Structures and Improvements	401,749	6,621	0	408,370	104,667	303,703
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	2,079,503	0	0	2,079,503	659,868	1,419,635
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	12,696	4,915	0	17,611	2,480	15,131
311	Pumping Equipment	1,150,113	211,371	0	1,361,484	929,999	431,485
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	2,154,935	8,025	0	2,162,960	678,563	1,484,397
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	874,959	8,432	0	883,391	436,674	446,717
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	4,595,202	335,042	0	4,930,244	1,833,297	3,096,947
333	Services	339,757	75,556	700	414,613	98,607	316,006
334	Meters and Meter Installations	549,619	44,631	17,773	576,477	391,462	185,015
335	Hydrants	332,711	38,400	0	371,111	84,257	286,854
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	23,745	32,707	0	56,452	6,580	49,872
340	Office Furniture and Equipment	95,089	0	0	95,089	76,939	18,150
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	168,711	83,776	35,459	217,028	109,177	107,851
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	58,252	0	0	58,252	45,605	12,647
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	5,930	0	0	5,930	5,930	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	53,493	0	0	53,493	35,736	17,757
348	Other Tangible Plant	6,090	0	0	6,090	5,670	420
	Totals	\$13,644,725	\$853,154	\$53,932	\$14,443,947	\$5,505,511	\$8,938,436

Valley Utilities Water Company, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/19

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$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	742,171	3,678	0	745,849	745,849	0	0.00%	0
304	Structures and Improvements	401,749	6,621	0	408,370	0	408,370	3.33%	13,489
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	2,079,503	0	0	2,079,503	0	2,079,503	3.33%	67,850
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	12,696	4,915	0	17,611	0	17,611	5.00%	759
311	Pumping Equipment	1,150,113	211,371	0	1,361,484	716,373	645,111	12.50%	67,430
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	2,154,935	8,025	0	2,162,960	0	2,162,960	3.33%	75,989
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	874,959	8,432	0	883,391	0	883,391	2.22%	19,518
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	4,595,202	335,042	0	4,930,244	0	4,930,244	2.00%	95,254
333	Services	339,757	75,556	700	414,613	0	414,613	3.33%	12,560
334	Meters and Meter Installations	549,619	44,631	17,773	576,477	322,342	254,135	8.33%	19,312
335	Hydrants	332,711	38,400	0	371,111	0	371,111	2.00%	7,038
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	23,745	32,707	0	56,452	0	56,452	6.67%	2,676
340	Office Furniture and Equipment	95,089	0	0	95,089	68,321	26,768	6.67%	1,785
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	168,711	83,776	35,459	217,028	63,435	153,593	20.00%	25,321
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	58,252	0	0	58,252	0	58,252	5.00%	2,913
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	5,930	0	0	5,930	5,930	0	5.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	53,493	0	0	53,493	20,000	33,493	10.00%	3,349
348	Other Tangible Plant	6,090	0	0	6,090	0	6,090	3.33%	202
	Subtotal	\$13,644,725	\$853,154	\$53,932	\$14,443,947	\$1,942,250	\$12,501,697		\$415,446

Contribution(s) in Aid of Construction (Gross)	\$5,216,207
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$5,216,207
Times: Proposed Amortization Rate	3.32%
Amortization of CIAC	\$173,298

Less: Amortization of CIAC **\$173,298**

DEPRECIATION EXPENSE **\$242,148**

Valley Utilities Water Company, Inc.
Annual Report
Balance Sheet Assets
12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$461,946	\$1,985,855
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		150,936	126,063
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		38,783	43,540
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		161,245	8,487
	Total Current and Accrued Assets		\$812,910	\$2,163,945
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$13,644,725	\$14,443,947
103	Property Held for Future Use		12,050	16,460
105	Construction Work in Progress		196,625	805,920
108	Accumulated Depreciation (enter as negative)*		(5,143,997)	(5,505,511)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$8,709,403	\$9,760,816
	Total Assets		\$9,522,313	\$11,924,761

*Note these items feed automatically from AR3 UPIS Page 4

Valley Utilities Water Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$20,496	\$132,673
232	Notes Payable (Current Portion)		134,141	123,621
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		66,692	68,723
236	Accrued Taxes		137,962	228,418
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		11,738	19,953
	Total Current Liabilities		\$371,029	\$573,388
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$858,271	\$599,502
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		2,037,135	5,081,201
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		5,213,707	5,216,207
272	Less: Amortization of Contributions		(1,163,755)	(1,337,053)
281	Accumulated Deferred Income Tax		603,646	118,761
	Total Deferred Credits		\$6,690,733	\$9,079,116
	Total Liabilities		\$7,920,033	\$10,252,006
	Capital Accounts			
201	Common Stock Issued		\$150,000	\$150,000
211	Other Paid-In Capital		264,988	264,988
215	Retained Earnings		1,187,292	1,257,767
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$1,602,280	\$1,672,755
	Total Liabilities and Capital		\$9,522,313	\$11,924,761

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

Valley Utilities Water Company, Inc.
Annual Report
Water Comparative Income Statement
12/31/19

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
461	Metered Water Revenue	\$2,181,707	\$2,159,874
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	52,257	51,554
474	Other Water Revenue	0	0
	Total Revenues	\$2,233,964	\$2,211,428
	Operating Expenses		
601	Salaries and Wages	\$570,758	\$533,142
604	Employee Pensions and Benefits	10,758	9,714
610	Purchased Water	4,047	7,466
615	Purchased Power	177,757	178,181
618	Chemicals	19,012	16,280
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	29,138	42,036
620.2	Office Supplies and Expense	22,366	8,637
630	Contractual Services	0	0
631	Contractual Services - Engineering	2,095	8,890
632	Contractual Services - Accounting	6,968	4,770
633	Contractual Services - Legal	8,553	4,329
634	Contractual Services - Management Fees	240,000	240,000
635	Contractual Services - Water Testing	13,666	12,939
636	Contractual Services - Other	9,682	2,147
640	Rents	0	0
641	Rental of Building/Real Property	33,039	36,673
642	Rental of Equipment	0	1,680
650	Transportation Expenses	22,987	27,720
657	Insurance - General Liability	34,946	28,468
657.1	Insurance - Health and Life	101,396	89,078
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	1,032	4,758
675	Miscellaneous Expense	57,172	64,624
403	Depreciation Expense (From Schedule AR4)	242,148	211,140
408	Taxes Other Than Income	41,233	38,135
408.11	Property Taxes	74,485	69,507
409	Income Taxes	881,764	696,540
427.1	Customer Security Deposit Interest	3,832	4,052
	Total Operating Expenses	\$2,608,834	\$2,340,906
	Operating Income / (Loss)	(\$374,870)	(\$129,478)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$16,790	\$3,223
421	Non-Utility Income	17,541	3,965
426	Miscellaneous Non-Utility (Expense)	0	(11,341)
427	Interest (Expense)	(49,472)	(69,594)
	Total Other Income / (Expense)	(\$15,141)	(\$73,747)
	Net Income / (Loss)	(\$390,011)	(\$203,225)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0	0.0	0.0	1.0
Vice-president	0.0	0.0	0.0	0.0
Manager	1.0	0.0	1.0	2.0
Engineering Staff	0.0	0.0	1.0	1.0
System Operator(s)	3.0	0.0	0.2	3.2
Meter reader	1.0	0.0	0.0	1.0
Customer Service	1.0	0.0	0.0	1.0
Accounting	1.0	0.0	0.5	1.5
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	0.3	0.3
Total	8.0	0.0	3.0	11.0

Valley Utilities Water Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/19

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	Various	Various	9/12/2019	1/0/1900
Source of Loan	WIFA	WIFA	CoBank	0
ACC Decision No.	68309	70138	77288	0
Reason for Loan	Arsenic Treatment	Well 6A	Refinance WIFA	0
Dollar Amt. Issued	\$1,925,941	\$250,000	\$743,230	\$0
Amount Outstanding	\$0	\$0	\$723,123	\$0
Date of Maturity	11/1/2024	10/1/2028	4/20/2025	1/0/1900
Interest Rate	5.78%	5.80%	4.10%	0.00%
Current Year Interest	\$51,979	\$9,587	\$6,761	\$0
Current Year Principal	\$833,955	\$158,457	\$20,108	\$0

Meter Deposit Balance at Test Year End:	\$74,391
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Meter Deposits Refunded During the Test Year:	\$7,721
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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	
Name of the System:	VALLEY UTILITIES WATER COMPANY
ADEQ Public Water System Number:	AZ0407079
ADWR PCC Number:	91-000214.0000

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	AC & PVC	10,000
6.00	AC, PVC ,DIP	79,271
8.00	AC, PVC ,DIP	61,315
10.00	DIP	2,952
12.00	AC & DIP	6,204
16.00	DIP & PVC	7,483

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	107	0%	75%
0.75	905	0%	50%
1	635	0%	35%
1.5	16	19%	0%
Compound 2	2	100%	0%
Turbine 2	51	57%	0%
Turbine 3	2	100%	0%
Compound 6	1	100%	0%

SERVICE LINES		
Material	Percent of system	Year installed
Copper	70%	Various
Black poly	29%	Various
PVC	1%	Various

BOOSTER PUMPS		
Horsepower	GPM	Quantity
15	Variable	2
20	Variable	3
30	Variable	2
40	Variable	3
50	Variable	2

FIRE HYDRANTS	
Type	Quantity
Standard *	224
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
100,000	Steel	3	Various
200,000	Steel	1	1983
560,000	Steel	1	2001
1,000,000	Steel	1	2001

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	Steel	1	2002
7,500	Steel	1	1996
10,000	Steel	1	2001

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

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

TREATMENT EQUIPMENT:	Two Arsenic Treatment Facilities, Two 300-Gallon Liquid Chlorinators, & One 100-Gallon Liquid Chlorinator.
STRUCTURES:	Two Arsenic Treatment Buildings (2400 & 1200 sq. ft.), Two Motor Control Centers (264 & 192 sq. ft.).
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	370
Method used:	(a)

Customer and Other Information	
Name of the System:	VALLEY UTILITIES WATER COMPANY
ADEQ Public Water System Number:	AZ0407079
ADWR PCC Number:	91-000214.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	1,522	32	48	37	3
February	1,531	32	48	37	4
March	1,537	32	48	37	4
April	1,541	32	48	37	4
May	1,544	32	48	37	4
June	1,543	32	48	37	2
July	1,543	32	48	37	2
August	1,561	32	48	37	4
September	1,570	32	48	37	6
October	1,579	32	48	37	7
November	1,582	32	48	37	6
December	1,583	32	48	37	6

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.

Valley Utilities Water Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/19

Utility Shutoffs / Disconnects	
Name of the System:	VALLEY UTILITIES WATER COMPANY
ADEQ Public Water System Number:	AZ0407079
ADWR PCC Number:	91-000214.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	23	0
February	0	7	0
March	0	10	0
April	0	9	0
May	0	8	0
June	0	16	0
July	0	7	0
August	0	6	0
September	0	12	0
October	0	15	0
November	0	14	0
December	0	12	0
Total	0	139	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	
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Amount of actual property taxes paid during Calendar Year 2019 was	
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	\$71,999
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If no property taxes paid, explain why.

N/A

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
Company name: Valley Utilities Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/19

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

**RECEIVED
BY EMAIL**

4/14/2020, 08:25 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

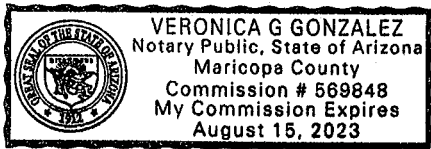
Bryan Thomas
signature of owner/official

623-935-1100
telephone no.

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

THIS 14th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES 8/15/2023
(date)



Veronica G Gonzalez
(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: Bryan Thomas, CFO

Company name: Valley Utilities Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/19

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$2,376,780

(The amount in the box above includes

\$142,816 in sales taxes
billed or collected)

RECEIVED
BY EMAIL

4/14/2020, 08:25 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Bryan Thomas
signature of owner/official

623-935-1100
telephone no.

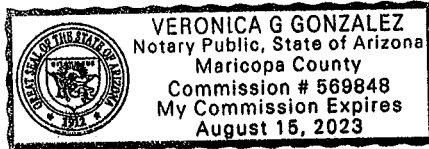
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Maricopa
(county name)

THIS 14th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES

8/15/2023
(date)



Veronica G Gonzalez
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
Company name: Valley Utilities Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/19

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement:

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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$1,363,651

(The amount in the box above includes

\$81,657 in sales taxes
billed or collected)

**RECEIVED
BY EMAIL**

4/14/2020, 08:25 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

B. T. Thomas
signature of owner/official

623-935-1100
telephone no.

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

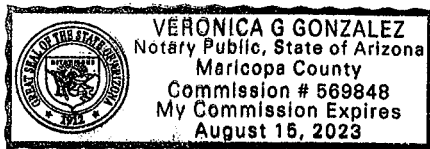
Maricopa
(county name)

THIS 14th

DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES

8/15/2023
(date)



Veronica G. Gonzalez
(signature of notary public)

Gross-up Sharing 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: Bryan Thomas, CFO
Company name: Valley Utilities Water Company, Inc.

FOR THE YEAR ENDING: 12/31/19

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.

**RECEIVED
BY EMAIL**

4/14/2020, 08:25 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

B. J. D.
signature of owner/official

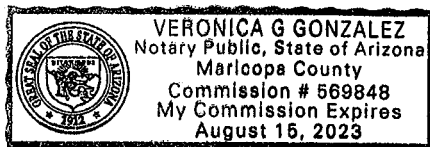
623-935-1100
telephone no.

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

Maricopa
(county name)

THIS 14th DAY OF April 2020
(month) and (year)

MY COMMISSION EXPIRES 8/15/2023
(date)



Veronica G. Gonzalez
(signature of notary public)