

ANNUAL REPORT

Of

Company Name: Verde Santa Fe Wastewater Company, Inc.
7581 E. Academy Blvd., Ste. 229

Mailing Address: Denver CO
80230

RECEIVED BY EMAIL
4/15/2024, 3:49 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Docket No.: SW-03437A
For the Year Ended: 12/31/23

WASTEWATER 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: 4/29/2024

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Verde Santa Fe Wastewater Company, Inc.
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
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	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.
	<div style="border: 1px solid black; height: 60px;"></div>

	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.
	<div style="border: 1px solid black; height: 60px;"></div>

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCI.D (OC less AD)
351	Organization	\$30,909			\$30,909		\$30,909
352	Franchises	0			0		0
353	Land and Land Rights	45,400			45,400		45,400
354	Structures and Improvements	137,172			137,172	80,052	57,120
355	Power Generation Equipment	1,096			1,096	115	982
360	Collections Wastewater - Force	0			0		0
361	Collections Wastewater - Gravity	347,663			347,663	262,788	84,876
362	Special Collecting Structures	0			0		0
363	Services to Customers	85,940			85,940	59,071	26,869
364	Flow Measuring Devices	54,366			54,366	34,313	20,053
365	Flow Measuring Installations	0			0		0
366	Reuse Services	0			0		0
367	Reuse Meters & Meter Installations	0			0		0
370	Receiving Wells	0			0		0
371	Pumping Equipment	331,021	31,916		362,937	257,437	105,500
374	Reuse Distribution Reservoirs	0			0		0
375	Reuse Trans. And Distr. Equipment	3,389			3,389	297	3,093
380	Treatment and Disposal Equipment	957,467	6,268		963,735	763,670	200,064
381	Plant Sewers	0			0		0
382	Outfall Sewer Lines	0			0		0
389	Other Plant and Misc. Equipment	0			0		0
390	Office Furniture and Equipment	6,235			6,235	5,990	245
390.1	Computer & Software	0			0		0
391	Transportation Equipment	0			0		0
392	Stores Equipment	0			0		0
393	Tools, Shop and Garage Equipment	9,805			9,805	6,027	3,778
394	Laboratory Equipment	6,613			6,613	5,572	1,041
395	Power Operated Equipment	0			0		0
396	Communication Equipment	3,155			3,155	1,104	2,051
397	Miscellaneous Equipment	0			0		0
398	Other Tangible Plant	89,005			89,005	87,885	1,120
	Totals	\$2,109,235	\$38,184	\$0	\$2,147,420	\$1,564,320	\$583,100

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.

Verde Santa Fe Wastewater Company, Inc.
 Annual Report
 Depreciation Expense for the Current Year (Wastewater)
 12/31/23

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$30,909	\$0	\$0	\$30,909	\$30,909		\$0
352	Franchises	0	0	0	0			0
353	Land and Land Rights	45,400	0	0	45,400	45,400		0
354	Structures and Improvements	137,172	0	0	137,172		3.33%	4,568
355	Power Generation Equipment	1,096	0	0	1,096		5.00%	55
360	Collections Wastewater - Force	0	0	0	0			0
361	Collections Wastewater - Gravity	347,663	0	0	347,663		2.00%	6,953
362	Special Collecting Structures	0	0	0	0			0
363	Services to Customers	85,940	0	0	85,940		2.00%	1,719
364	Flow Measuring Devices	54,366	0	0	54,366		10.00%	5,437
365	Flow Measuring Installations	0	0	0	0			0
366	Reuse Services	0	0	0	0			0
367	Reuse Meters & Meter Installations	0	0	0	0			0
370	Receiving Wells	0	0	0	0			0
371	Pumping Equipment	331,021	31,916	0	362,937		6.51%	22,600
374	Reuse Distribution Reservoirs	0	0	0	0			0
375	Reuse Trans. And Distr. Equipment	3,389	0	0	3,389		2.50%	85
380	Treatment and Disposal Equipment	957,467	6,268	0	963,735		5.00%	48,030
381	Plant Sewers	0	0	0	0			0
382	Outfall Sewer Lines	0	0	0	0			0
389	Other Plant and Misc. Equipment	0	0	0	0			0
390	Office Furniture and Equipment	6,235	0	0	6,235			0
390.1	Computer & Software	0	0	0	0			0
391	Transportation Equipment	0	0	0	0			0
392	Stores Equipment	0	0	0	0			0
393	Tools, Shop and Garage Equipment	9,805	0	0	9,805		5.00%	490
394	Laboratory Equipment	6,613	0	0	6,613		10.00%	661
395	Power Operated Equipment	0	0	0	0			0
396	Communication Equipment	3,155	0	0	3,155		10.00%	315
397	Miscellaneous Equipment	0	0	0	0			0
398	Other Tangible Plant	89,005	0	0	89,005		-1.26%	(1,120)
	Subtotal	\$2,109,235	\$38,184	\$0	\$2,147,420	\$76,309		\$89,793

Contribution(s) in Aid of Construction (Gross)	\$868,255
Less: Non Amortizable Contribution(s)	
Fully Amortized Contribution(s)	868,255
Amortizable Contribution(s)	(\$0)
Times: Proposed Amortization Rate	2.39%
Amortization of CIAC	(\$0)
Less: Amortization of CIAC	(\$0)
DEPRECIATION EXPENSE	\$89,793

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.

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Balance Sheet Assets
12/31/23

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets			
131	Cash		\$21,482	\$4,302
132	Special Deposits			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		38,079	59,453
142	Other Accounts Receivable			
143	Accumulated Provision for Uncollectable Accounts			
146	Notes Receivable from Associated Companies		0	
151	Plant Material and Supplies			
162	Prepayments			
173	Accrued Utility Revenue			
174	Miscellaneous Current and Accrued Assets			
	Total Current and Accrued Assets		\$59,562	\$63,755
	Deferred Debits			
186.1	Deferred Rate Case Expense			
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$2,109,235	\$2,147,420
103	Property Held for Future Use		1,907	1,907
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(1,596,129)	(1,564,320)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$515,013	\$585,006
	Total Assets		\$574,575	\$648,761

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.

Note these items feed automatically from the adjusted end of year balance from AR4.

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable		\$23,734	\$35,611
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		11,502	12,021
236	Accrued Taxes		14,002	24,290
237	Accrued Interest			
241	Miscellaneous Current and Accrued Liabilities		40,000	40,000
253	Other Deferred Credits			
	Total Current Liabilities		\$89,238	\$111,922
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)			
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		978,305	978,305
272	Less: Amortization of Contributions		(978,305)	(978,305)
281	Accumulated Deferred Income Tax		75,881	75,881
	Total Deferred Credits		\$75,881	\$75,881
	Total Liabilities		\$165,119	\$187,803
	Capital Accounts			
201	Common Stock Issued		\$138,658	\$88,658
211	Other Paid-In Capital			
215	Retained Earnings		270,799	372,301
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$409,457	\$460,959
	Total Liabilities and Capital		\$574,575	\$648,761

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.

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

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Wastewater Comparative Income Statement
12/31/23

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
521	Flat Rate Revenues	\$517,601	\$513,320
522	Measured Revenues	7,085	8,253
534	Rents from Wastewater Property		
536	Other Wastewater Revenues	5,337	6,216
	Total Revenues	\$530,023	\$527,788
	Operating Expenses		
701	Salaries and Wages	\$14,812	\$45,494
704	Employee Pensions and Benefits	1,765	395
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	24,994	14,018
715	Purchased Power	35,811	32,329
716	Fuel for Power Production		
718	Chemicals	35,353	26,625
720	Materials and Supplies	7,316	6,427
720.1	Repairs and Maintenance	1,393	18
720.2	Office Supplies and Expense		
721	Office Expense	2,137	1,516
731	Contractual Services -Engineering		
732	Contractual Services - Accounting	3,773	1,500
733	Contractual Services - Legal	8,241	12,253
734	Contractual Services - Management Fees	170,402	125,621
735	Contractual Services - Testing	9,854	9,393
736	Contractual Services - Other	54,225	92,299
740	Rents - Building	1,357	843
742	Rents - Equipment		
750	Transportation Expenses	15,118	12,927
757	Insurance - General Liability	966	3,103
758	Insurance - Worker's Compensation		
759	Insurance - Other	7,572	4,357
760	Advertising Expense		
766	Regulatory Commission Expense - Rate Case		
767	Regulatory Commission Expense - Other	2,488	2,360
770	Bad Debt Expense	1,852	796
775	Miscellaneous Expense	8,253	12,654
403	Depreciation Expense (From Schedule AR4)	89,793	82,357
408	Taxes Other Than Income		
408.11	Property Taxes	20,575	21,781
408.12	Payroll Taxes		
409	Income Taxes	32,085	12,859
	Total Operating Expenses	\$550,135	\$521,925
	Operating Income / (Loss)	(\$20,112)	\$5,863
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions		
419	Interest and Dividend Income		
421	Non-Utility Income	310	3,328
426	Miscellaneous Non-Utility (Expense)		(265)
427	Interest (Expense)	(297)	(158)
	Total Other Income / (Expense)	\$13	\$2,905
	Net Income / (Loss)	(\$20,100)	\$8,768

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.

Verde Santa Fe Wastewater Company, Inc.
 Annual Report
 Full time equivalent employees
 12/31/23

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			0.4	0.4
Engineering Staff				0.0
System Operator(s)			0.4	0.4
Customer Service				0.0
Accounting			0.2	0.2
Business Office			0.2	0.2
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	1.2	1.2

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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Verde Santa Fe Wastewater Company, Inc.
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/23

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued				
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:

Meter Deposits Refunded During the Test Year:

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.

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	993	2,488,955	143,065	\$2,353	19,734
February	994	2,514,992	118,480	2,568	21,884
March	997	2,792,488	120,695	2,710	23,918
April	1,008	2,632,986	102,089	2,922	21,915
May	1,001	2,597,032	87,663	2,876	21,934
June	1,000	2,449,866	99,829	3,251	22,607
July	994	2,542,750	176,590	3,470	24,500
August	994	2,549,458	105,469	3,076	20,667
September	992	2,431,061	99,973	3,252	22,169
October	999	2,554,437	105,870	3,173	21,422
November	994	2,558,396	96,590	3,113	20,322
December	992	2,547,708	118,581	3,048	23,556
	Totals	30,660,129	1,374,894	\$35,811	264,628

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Other
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit ("APP") Number	P103173
ADEQ Reuse Permit Number	R-105815- held by the glf course
EPA NPDES Permil Number	N/A
APP Effluent Treatment Requirement (Class)?	
Permitted Flow Rate	264,000 gpd
Permitted Organic Capacity	
Hydraulic Capacity	150%
Type of Biological Treatment	

In the space below, list all violations within the past 12 months:

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Note: If you are filing for more than one system, please provide separate sheets for each system.

- | |
|---|
| 1 Enter the total purchased power costs for the power meters associated with this system. |
| 2 Enter the total purchased kWh used by the power meters associated with this system. |

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.

Other Wastewater System Information

Provide a calculation used to determine the value of one wastewater 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 = (Total SFR gallons treated (Omit 000) / 365 days / 280 gallons per day)

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated. Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC:

85

Method used:

(a)

What is the present system connection capacity (in ERCs *) using existing lines?

266

What is the future system connection capacity (in ERCs *) upon service area buildout?

350

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

None

If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

None

If the utility does not engage in reuse, has a reuse feasibility study been completed?

No

If so, when?
N/A

Verde Santa Fe Wastewater Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of System:	Verde Santa Fe Wastewater Co. Inc
Wastewater Inventory Number (if applicable):	105607

Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.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):

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.

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Property Taxes
12/31/23

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2023 was	\$20,575
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If no property taxes paid, explain why.

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 Certification (Taxes)

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

County of (county name):

Name (owner or official) title:

Jason Williamson

Company name:

Verde Santa Fe Wastewater Company, Inc.

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

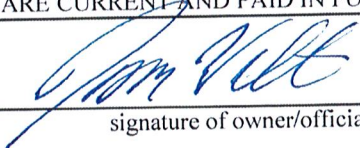
FOR THE YEAR ENDING:

12/31/23

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.

CERTIFICATION I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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


signature of owner/official

telephone no.