### ANNUAL REPORT

Of

Company Name:

Appaloosa Water Company

PO Box 3150

Mailing Address:

Chino Valley

AZ

**RECEIVED BY EMAIL** 

86323

3/19/2022, 9:04 AM ARIZONA CORPORATION COMMISSION

**UTILITIES DIVISION** 

Docket No.:

W-03443A

For the Year Ended:

12/31/21

#### WATER UTILITY

To

Arizona Corporation Commission

#### Due on April 15th

Application Type:

Original Filing

Application Date:

3/11/2022

## ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT

Appaloosa Water Company
A Class E Utility

For the Calendar Year	Ended: <u>12/31/21</u>					
Primary Address:	PO Box 3150					
	: Chino Valley	1	State: Arizona		7: C. 1	Torran
	- Tanana ( ama)	_	State. Alizona		Zip Code:	86323
Telephone Number:	928-636-1700					
Date of Original Organ	ization of Utility:	6/19/19	95			
Person to whom corresp	ondence should be address	ed concern	ng this report:			
Name	: Tony Cordovana		ng mis report.			
Telephone No.						
Address	PO BOX 3150					
City	: Chino Valley		State: Arizona		Zip Code:	06222
Email	tcordo1@gmail.com		- Indone		Jzip code.	80323
On-Site Manager						
	Tony Cordovana					
Telephone No.:	928-925-7593					
Address:	PO BOX 3150					
City:	Chino Valley		State: Arizona		Zip Code:	86323
Email:	tcordo1@gmail.com		0.0000000000000000000000000000000000000		Lip code.	00323
				_		
Management Contact						
Name:	Tony Cordovana					
Telephone No.:	928-925-7593					
Address:	PO BOX 3150	-				
City:	Chino Valley		State: Arizona		Zip Code:	86323
Email:	tcordo1@gmail.com				P	00323
Owner	-					
	Joe Cordovana					
Telephone No.:						
	PO BOX 3150					
	Chino Valley		State: Arizona		Zip Code:	86323
Email:	joe@windmillhouseaz.com					
Description 10 G						
Regulatory and On-Site						
	Tony Cordovana					
Telephone No.:						
	PO BOX 3150					
	Chino Valley	5	tate: Arizona		Zip Code:	86323
Email:	tcordo1@gmail.com					
Ownership:	"C" Corporation					
Counties Served:	Yavapai					

# ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Appaloosa Water Company

	Important changes during the year
ļ	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during year?
	If yes, please provide specific details in the box below.
	none
l	
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.
	none

A Second			Plant in Service	(Water)			
Account No.	Description	Beginning Year	Current Year	Current Year	Adjusted Original	Accumulated	OCLD (OC less
301	Organization	Original Cost	Additions	Retirements	Cost	Depreciation	AD)
302	Franchises	\$264	\$0	\$0	\$264	\$0	\$20
303		2,309	0	0	2,309	0	2,30
304	Land and Land Rights	3,161	0	0	3,161	0	3,16
305	Structures and Improvements	67,051	0	0	67,051	26,795	40,25
306	Collecting & Improving Reservoirs	0	0	0	0	0	
	Lake, River, Canal Intakes	0	0	0	0	0	
307	Wells and Springs	238,519	0	0	238,519	95,315	143,20
308	Infiltration Galleries	0	0	0	0	0	113,20
309	Supply Mains	0	0	0	0	0	
310	Power Generation Equipment	0	0	0	0	0	
311	Pumping Equipment	94,131	0	0	94,131	94,131	
320	Water Treatment Equipment	0	0	0	0	0	
320.1	Water Treatment Plants	148,250	0	0	148,250	38,022	
320.2	Solution Chemical Feeders	0	0	0	0	0	110,22
320.3	Point-of-Use Treatment Devices	25,635	0	0	25,635	0	25.62
330	Distribution Reservoirs and Standpipes	0	0	0	23,033	0	25,63
330.1	Storage Tanks	100,438	0	0	100,438	40,719	50.51
330.2	Pressure Tanks	0	0	0	100,438	40,719	59,71
331	Transmission and Distribution Mains	745,102	0	0	745,102	· ·	
333	Services	0	0	0	743,102	178,824	566,27
334	Meters and Meter Installations	15,055	0	0	15,055	0	
335	Hydrants	48,876	0	0		15,055	
336	Backflow Prevention Devices	0	0	0	48,876	11,735	37,14
339	Other Plant and Misc. Equipment	0	0	0	0	0	
340	Office Furniture and Equipment	2,222	0	0	0	0	
340.1	Computer & Software	1,500	0	0	2,222	1,478	74
341	Transportation Equipment	0	0		1,500	1,500	
342	Stores Equipment	0	0	0	0	0	
343	Tools, Shop and Garage Equipment	0		0	0	0	
344	Laboratory Equipment	0	0	0	0	0	
345	Power Operated Equipment	0	0	0	0	0	
346	Communication Equipment	0	0	0	0	0	
347	Miscellaneous Equipment	0	0	0	0	0	
348	Other Tangible Plant		0	0	0	0	
570	Totals	12,889	0	0	12,889	8,251	4,63
	Lutais	\$1,505,402	\$0	\$0	\$1,505,402	\$511,825	\$993,577

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

4		Dep	reciation Expense	e 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	Depreciáble Plant	Depreciation Percentages	Depreciation Expense
	Organization	\$264	\$0	\$0	\$264	\$264	\$0	0.00%	\$
302	Franchises	2,309	0	0	2,309	2,309	0	0.00%	Φ
303	Land and Land Rights	3,161	0	0	3,161	3,161	0	0.00%	
304	Structures and Improvements	67,051	0	0	67,051	0	67,051	3.33%	2,23
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	2,23
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	
307	Wells and Springs	238,519	0	0	238,519	0	238,519	3.33%	7,94
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	
309	Supply Mains	0	0	0	0	0	0	0.00%	
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	
311	Pumping Equipment	94,131	0	0	94,131	94,131	0	0.00%	
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	
320.1	Water Treatment Plants	148,250	0	0	148,250	0	148,250	3.33%	1.00
320.2	Solution Chemical Feeders	0	0	0	0	0	0		4,93
320.3	Point-of-Use Treatment Devices	25,635	0	0	25,635	0	25,635	0.00%	(
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	25,033	3.33%	854
330.1	Storage Tanks	100,438	0	0	100,438	0	100,438	0.00%	(
330.2	Pressure Tanks	0	0	0	0	0	100,438	2.22%	2,230
331	Transmission and Distribution Mains	745,102	0	0	745,102	0	745,102	0.00%	(
333	Services	0	0	0	0	0		2.00%	14,902
334	Meters and Meter Installations	15,055	0	0	15,055	0	15,055	0.00%	(
335	Hydrants	48,876	0	0	48,876	0		8.33%	1,254
336	Backflow Prevention Devices	0	0	0	0	0	48,876	2.00%	978
339	Other Plant and Misc. Equipment	0	0	0	0		0	0.00%	
340	Office Furniture and Equipment	2,222	0	0	2,222	0	0	0.00%	(
340.1	Computer & Software	1,500	0	0	1,500	1,500	2,222	6.67%	148
341	Transportation Equipment	0	0	0	1,500		0	0.00%	(
342	Stores Equipment	0	0	0	0	0	0	0.00%	(
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	(
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	12,889	0	0	12,889	0	0	0.00%	
	Subtotal	\$1,505,402	\$0	\$0	\$1,505,402	0	12,889	0.00%	0
			40	\$0	\$1,505,402	\$101,365	\$1,404,037		\$35,477

 Contribution(s) in Aid of Construction (Gross)
 \$1,240,943

 Less: Non Amortizable Contribution(s)
 0

 Fully Amortized Contribution(s)
 0

 Amortizable Contribution(s)
 \$1,240,943

 Times: Proposed Amortization Rate
 2,53%

 Amortization of CIAC
 \$31,356

Less: Amortization of CIAC	\$31,356
DEPRECIATION EXPENSE	\$4,121

Appaloosa 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.	and fitter ded fissets		
131	Cash	\$2,229	\$3,762
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	(11,772)	(15,178)
146	Notes Receivable from Associated Companies	0	0
151	Plant Material and Supplies	1,014	1,782
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	Total Current and Accrued Assets	(\$8,529)	(\$9,634)
Account No.	Fixed Assets		
101	Utility Plant in Service*	\$1,505,402	\$1,505,402
103	Property Held for Future Use	60,000	60,000
105	Construction Work in Progress	0	0
108	Accumulated Depreciation (enter as negative)*	(511,825)	(511,825)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility	0	0
	Total Fixed Assets	\$1,053,577	\$1,053,577
	Total Assets	\$1,045,048	\$1,043,943

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

Appaloosa Water Company Annual Report Balance Sheet Liabilities and Owners Equity

	Balance Sheet Liabilities and Ov	vners Equity	
	Liabilities	Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current Liabilities		
231	Accounts Payable	\$1,103	\$3,409
232	Notes Payable (Current Portion)	0	ψ3,το
234	Notes Payable to Associated Companies	0	(
235	Customer Deposits	6,400	6,400
236	Accrued Taxes	56	1,691
237	Accrued Interest	0	1,091
242	Miscellaneous Current and Accrued Liabilities	0	0
	Total Current Liabilities	\$7,559	\$11,500
	Long Term Debt		
224	Long Term Debt (Notes and Bonds)	\$106,732	\$97,680
	Deferred Credits		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction	0	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	1,240,943	1,240,943
	Less: Amortization of Contributions	(282,627)	(282,627
281	Accumulated Deferred Income Tax	0	(282,027
	Total Deferred Credits	\$958,316	\$958,316
	Total Liabilites	\$1,072,607	\$1,067,496
	Capital Accounts		
	Common Stock Issued	\$2,000	\$2,000
	Other Paid-In Capital	0	\$2,000
215	Retained Earnings	26,353	20,014
218	Proprietary Capital (Sole Props and Partnerships)	(55,912)	(45,567)
	Total Capital	(\$27,559)	
	Total Liabilities and Capital	\$1,045,048	(\$23,553) \$1,043,943

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

	Water Comparative	Income Statement	
Account No.	Calendar Year	Current Year	Last Year
		01/01/2021 - 12/31/2021	01/01/2020 - 12/31/20
	Operating Revenue		
461	Metered Water Revenue	\$170,885	\$169,0
460	Unmetered Water Revenue	0	
462	Fire Protection Revenue	0	
469	Guaranteed Revenues (Surcharges)	0	
471	Miscellaneous Service Revenues	0	
474	Other Water Revenue	0	
	Total Revenues	\$170,885	\$169,0
	Onewating Evangage		
601	Operating Expenses Salaries and Wages	£102.252	
604	Employee Pensions and Benefits	\$102,352	\$98,5
610	Purchased Water	0	
615	Purchased Water Purchased Power	0	
618	Chemicals	9,100	9,4
620		0	
620.1	Materials and Supplies	8,615	13,6
620.1	Repairs and Maintenance	4,652	9,5
630	Office Supplies and Expense	847	
	Contractual Services	537	
631	Contractual Services - Engineering	0	
632	Contractual Services - Accounting	0	
633	Contractual Services - Legal	3,947	1,9
634	Contractual Services - Management Fees	146	
635	Contractual Services - Water Testing	883	(
636	Contractual Services - Other	7,320	7,5
	Rents	0	
	Rental of Building/Real Property	7,200	7,2
	Rental of Equipment	0	
	Transportation Expenses	0	
	Insurance - General Liability	5,161	4,7
	Insurance - Health and Life	0	7
	Regulatory Commission Expense - Rate	0	
	Bad Debt Expense	0	
	Miscellaneous Expense	0	
403	Depreciation Expense (From Schedule AR4)	4,121	4,1
	Taxes Other Than Income	0	
	Property Taxes	10,300	8,5
	Income Taxes	0	
	Customer Security Deposit Interest	0	
	Total Operating Expenses	\$165,180	\$166,6
	Operating Income / (Loss)	65 505	
	Operating Income / (Loss)	\$5,705	\$2,3
	Other Income / (Expense)		
	Interest and Dividend Income	\$0	
	Non-Utility Income	0	
	Miscellaneous Non-Utility (Expense)	0	
	Interest (Expense)	0	
	Total Other Income / (Expense)	\$0	
	Net Income / (Loss)	\$5,705	\$2,3

Appaloosa Water Company Annual Report Full time equivalent employees 12/31/21

### Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0	1.0	0.0	2.0
Vice-president	1.0	1.0	0.0	2.0
Manager	1.0	1.0	0.0	2.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	1.0	1.0
Meter reader	0.0	0.0	1.0	1.0
Customer Service	1.0	1.0	0.0	2.0
Accounting	0.0	0.0	1.0	1.0
Business Office	1.0	1.0	0.0	2.0
Rates Department	1.0	1.0	0.0	2.0
Administrative Staff	1.0	1.0	0.0	2.0
Other	0.0	0.0	0.0	0.0
Total	7.0	7.0	3.0	17.0

Appaloosa 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	11/6/2007	none	none	none
Source of Loan	WIFA	0	0	0
ACC Decision No.	71236	0	0	0
Reason for Loan	Arsenic Plant	0	0	0
Dollar Amt. Issued	\$200,000	\$0	\$0	\$0
Amount Outstanding	\$106,732	\$0	\$0	\$0
Date of Maturity	11/1/2029	none	none	none
Interest Rate	3.68%	0.00%		
Current Year Interest	\$688	\$0	\$0	\$0
Current Year Principal	\$10,807	\$0	\$0	\$0

eter Deposit Balance at Test Year End:	\$6,400
The state of the s	\$0,400

Meter Deposits Refunded During the Test Year:	\$600

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 <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.

Appaloosa Water Company Annual Report Well and Water Usage 12/31/21

				Well and Wat	er Usage							
Name of the System:		APPALOOSA WA	TER COMPANY									_
ADEQ Public Water Sys	tem Number:		AZ0413208				]					
ADWR PCC Number:			91-000680.0000									
Well registry 55# (55-			Casing Depth	Casing Diameter	Pump Motor	Vers	I w					
XXXXXX):	Pump Horsepower	Pump Vield (anm)	(feet)	The state of the s	The state of the s	Year	Water level	Water level	Meter Size	How		
55-607204	15	90	660	(inches)	Type **	Drilled	2011	2021	(inches)	measured:	Active	
55-607203	10	100	260	16	submersible	1999	175	160	6	Estimated		1
none	0	100	200	12	submersible	2004	175	160	6	Estimated	2	7
none	0	0	0		none	0	0	0	0	none	none	
none	0	0	0		none	0	0	0		none	none	
none	0	0	0		none	0	0	0		none	none	_
none	0	0	0	0	none	0	0	0		none	none	_
none	0	0	0	0	none	0	0	0		none	none	_
none	0	0	0		none	0	0	0		none	none	_
none	0	0	0		none	0	0	0		none	none	_
none	0	0	0		none	0	0	0		none	none	_
none	0	0	0	0	none	0	0	0		none	none	_
ione	0	0	0	0	none	0	0	0		none	none	_
ione	0	0	0	0	none	0	0	0		none	none	_
ione	0	0	0	0	none	0	0	0		none	none	_
	0	0	0	0	none	0	0	0		none	none	_
ione	0	0	0	0	none	0	0	0		none	none	_

Name of system water delivered to:	NA		
ADWR PCC Number:		#N/A	
Source of water delivered to another syste	m NA		
Name of system water received from:	NA		
	NA	#N/A	
Name of system water received from: ADWR PCC Number: Source of water received Well registry 55# (55-XXXXXX):	NA NA	#N/A	

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 <sup>6</sup>	Purchased Power
January	510,800.00	504.517.00	0.00	0.00			(kWh) <sup>7</sup>
February	522,900.00	516,468.00	0.00	0.00	0.00	\$476	3,448
March	985,470.00	973,349.00	0.00		0.00	454	3,258
April	2,144,510.00	2,118,132.00	71.7	0.00	0.00	484	3,061
May	2,401,250,00		0.00	0.00	0.00	615	4,539
June		2,371,714.00	0.00	0.00	0.00	890	6,924
July	2,822,960.00	2,788,238.00	0.00	0.00	0.00	1,101	8,704
	2,623,108.00	2,590,843.00	0.00	0.00	0.00	1.276	9,703
August	1,943,380.00	1,919,476.00	0.00	0.00	0.00	919	7,216
September	1,821,612.00	1,799,206.00	0.00	0.00	0.00	933	
October	1,674,940.00	1,654,338.00	0.00	0.00	0.00	794	7,675
November	1,733,310.00	1,711,990.00	0.00	0.00			6,017
December	668,000.00	659,783.00	0.00		0.00	631	4,709
Totals	19,852,240.00	19,608,054.00	0.00	0.00	0.00	528 \$9,100	3,594 <b>68,848</b>

<sup>1</sup> 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.

Appaloosa Water Company Annual Report Water Utility Plant Description 12/31/21

Variation of the Control of the Cont	Water Utility Plant Description	
Name of the System:	APPALOOSA WATER COMPANY	
ADEQ Public Water System Number:	AZ0413208	
ADWR PCC Number:	91-000680.0000	

	MAINS				
Sizes (inches)	Material	Length (feet)			
2.00	PVC	3,589			
3.00	Unknown	3,365			
4.00	PVC	1,65			
5.00	Unknown	1,05			
6.00	PVC	22,933			
8.00	PVC	5,395			
0.00	Unknown				
0.00	Unknown				
0.00	Unknown				
0.00	Unknown				
0.00	Unknown	(			
0.00	Unknown				
0.00	Unknown	(			
0.00	Unknown	0			

SERVICE LINES					
Material	Percent of system	Year installed			
PVC	100%	1995			
NA	0%	0			
NA	0%	0			
NA	0%	0			
NA	0%	0			

Material	Percent of system	installed
PVC	100%	1995
NA	0%	0

Horsepower	BOOSTER PUMPS GPM	Quantity
10	150	
100	1,000	
0	0	(
0	0	(

STORAGE TANKS					
Capacity (gallons)	Material	Quantity	Year installed		
65,000	steel	1	1995		
0	na	0	0		
3,500	pvc	1	2010		
0	na	0	0		
0	na	0	0		
0	na	0	0		

	CUSTOMER METERS					
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old			
5/8 X 3/4	187	50%	100%			
1	49	50%	100%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	0	0%	0%			
NA	236	100%	100%			

FIRE HYDRANTS			
Type	Quantity		
Standard *	26		
Other	0		

	PRESSURE/BLADDER TANKS				
Capacity (gallons)	Material	Quantity	Year installed		
5,500	steel	1	1995		
0	na	0	0		
0	na	0	0		
0	na	0	0		
0	na	0	0		
0	na	0	0		

\* 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.

Appaloosa Water Company Annual Report Water Utility Plant Description (Continued) 12/31/21

Water I	Utility	Plant	Description	(Continued)

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

TREATMENT EQUIPMENT:	Arsenic treatment system and 5000 gal wash tank
STRUCTURES:	60x40 slump block wall plant w/ block wall surrond and iron entrance gates. 20x10 slump block wall treatment plant. 65000 gal steel water storage tank.
OTHER:	misc fire hoses, fixtures, tools, meters, ladders, chemicals, chlorination system.

Provide a calculation used to determine the value of one water equivalent residential connection (ERC). Use one of the following methods:

- 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 If no historical flow data are available, use:
- (b) ERC = ( Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day )

ERC 153
Method used: (a)

Appaloosa Water Company Annual Report Customer and Other Information 12/31/21

	Customer and Other Information	
Name of the System:	APPALOOSA WATER COMPANY	
ADEQ Public Water System Number:	AZ0413208	
ADWR PCC Number:	91-000680.0000	

	Number of Customers						
Month	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non- Residential		
January	236	0	0	0	76		
February	236	0	0		0		
March	236	0		0	0		
April	236	0	0	0	0		
May	236	1107	0	0	0		
June	236	0	0	0	0		
July		0	0	0	0		
August	236	0	0	0	0		
September	236	0	0	0	0		
	236	0	0	0	0		
October	236	0	0	0			
November	236	0	0		0		
December	236	0	0	0	0		

If the system has fire hydrants, what is the fire flow requirements? 1,000 GPM for	1 hrs.
Does the system have chlorination treatment?	
Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement?  If yes, provide the GPCPD amount: N/A	No
Is the Water Utility located in an ADWR Active Management Area (AMA)?  If yes, which AMA?  Presco	Yes ott AMA
What is the present system connection capacity (in ERCs *) using existing lines?	153
What is the future system connection capacity (in ERCs *) upon service area buildout?	300

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

End of 2021 a WIFA loan in the amount of approx \$150k was appoved and work will begin early 2022 to the water distribution system. The current 2 booster pumps will be replace with high efficency larger booster pumps with a variable speed drive for each. The suction and discharge lines will be removed and replace with new larger size lines. A electric transfer switch will be installed to accommodate a generator (rental) should there be an extended loss of power. Improvements will be made to the current fire pump discharge head and electronic monitoring systems. Paint and new coatings to be applied to the water storage tank inside and out.

<sup>\*</sup> an ERC is based on the calculation on the bottom of AR9 page 12.

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

Utility Shutoffs / Disconnects				
Name of the System:				
ADEQ Public Water Sy		AZ0413208		
ADWR PCC Number:		91-000680.0000		

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

N/A		
	N/A	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.

Appaloosa Water Company Annual Report Property Taxes 12/31/21

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2021 was	\$10,300
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.

Appaloosa Water Company Annual Report Verification and Sworn Statement (Taxes) 12/31/21

verification	: State of	Arizona	I, the unders	igned of the			
		(state name)					
	County of (c	ounty name):	Yavapai				
	Name (owne	r or official) title:		ana, Vice Preside	nt		
	Company na	me: Appaloo	osa Water Company	rana, vice i reside	III		
	DO SAY TH	AT THIS ANNIHAL LITE	I ITV DD ODED TV TA				
	COMMISSION	AT THIS ANNUAL UTI	LITY PROPERTY TA	X AND SALES T.	AX REPORT TO	THE ARIZONA CO	RPORATION
	FOR THE Y	EAR ENDING:	12/	31/21			
	HASREEN	DD FDADING COURSE					
	UTILITY: TI	PREPARED UNDER MY	DIRECTION, FROM	THE ORIGINAL	BOOKS, PAPE	RS AND RECORDS (	OF SAID
	CORRECT S	TATEMENT OF BUSIN	ESS AND AFFAIRS O	SAME, AND DEC	CLARE THE SA	ME TO BE A COMP	LETE AND
	The order in	TEST LCT TO EACH AP	D EVERY MATTER	AND THING SET	FOR THE PER	OD COVERED BY T	HIS
	INFORMAT	ON AND BELIEF.		TIM (O DE)	TORIII, IO II	TE BEST OF MY KN	OWLEDGE,
S S							
Sworn Statement: [	I HEREBY A	TTEST THAT ALL PRO	PERTY TAXES FOR	SAID COMPANY	ARE CURREN	T AND PAID IN FUI	I
						THE THE HATEL	<i>.</i>
	I HEREBY A	TTEST THAT ALL SAL	ES TAVES EOD SAID	COMPANIA			
		THE SAL	LS TAXES FOR SAID	COMPANY ARE	CURRENT AN	D PAID IN FULL.	
			1	1			
				IMI			
				Jig	nature of owner/o	official	
					020 025		
				— H	928-925-7593 telephone no.		
				U	***		
		SUBSCR IN AND I	IBED AND SWORN T FOR THE COUNTY		A NOTARY PUE	BLIC YAVAPAI	
		THIS	-	140	DAY OF		2022
		MY COM	MISSION EXPIRES		Nov. 27	(month) and	1 (year)
	(A)	LUIS RAMON CAST Notary Public - Ar Yavapai Count Commission # 61	izona cy 7115		(signature of	of notary public)	
		My Comm. Expires Nov	27, 2025	1 ///		* * * * * * * * * * * * * * * * * * *	
				1 0/			
							Page 17

Verification and Sworn Statement (Taxes)

Appaloosa Water Company Annual Report Verification and Sworn Statement 12/31/21

V	Verification and Sworn Statement
Verification	n:
	State of Arizona I, the undersigned of the (state name)
	County of (county name): Yavapai
	Name (owner or official) title: Tony Cordovana, Vice President
	Company name: Appaloosa Water Company
	DO CAV THAT THE AND IN CO.
	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
	TO THE TAKE CAREFULLY EXAMINED THE SAME AND DECLARE TO DE A CONTRACTOR
	THE CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID LITTLETY FOR THE DEDICE COVERED BY
	REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH TO THE DEST OF MAY
	KNOWLEDGE, INFORMATION AND BELIEF.
vorn 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:
	DEMING THE CALENDAR TEAR WAS:
	Arizona Intrastate Gross Operating Revenues Only (\$)
	(The amount in the box above includes
	\$16,687, in sales taxes
	billed or collected)
	signature of owner/official
	928-925-7593
	telephone no.
	SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
	IN AND FOR THE COUNTY YAVAPAI
	THIS (county name)
	DATOR MINICIPALITY
-	(month) and (year)
4	LUIS RAMON CASTILLO MY COMMISSION EXPIRES 60. 17, 2022
	Notary Public - Arizona Yavapai County  (date)
	Commission # 617115 My Comm. Expires Nov 27, 2025
1	my comm. Apriles 1007 27, 2023
	(signature of notary public)
	(Congridative of notary public)
	Page 18

Appaloosa Water Company Annual Report Verification and Sworn Statement (Residential Revenue) 12/31/21

**		Verific	cation and Swo	orn Statement (Residential Revenue)
Verification				
	State of		Arizona tate name)	I, the undersigned of the
	County of	(		
	Name (owr	(county name): ner or official) t	itle·	Yavapai Tony Cordovana, Vice President
	Company n			sa Water Company
			<del></del>	1
	DO SAY T	HAT THIS AN	NUAL UTILI	TY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA
	CORPORA	TION COMM	ISSION.	THE ARIZONA
	FOR THE	YEAR ENDIN	NG: 12/31/	/21
	Or or the	TILLII I, IIIA	IIDAVECAL	DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS REFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE
	PERIOD CO	OVERED BY	THIS REPORT	EMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE IN RESPECT TO EACH AND EVERY MATTER AND THING SET LEDGE, INFORMATION AND BELIEF.
Sworn Statement:	UTILITY D	ERIVED FROM	IS HEREIN R M ARIZONA I	REMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REPORTED THAT THE GROSS OPERATING REVENUE OF SAID INTRASTATE UTILITY OPERATIONS RECEIVED FROM 6 THE CALENDAR YEAR WAS:
		Arizona Inti	rastate Gross O	Operating Revenues Only (\$)  \$170,885  (The amount in the box above includes  \$16,687 in sales taxes billed or collected)  signature of owner/official  928-925-7593
				telephone ho.
			SUBSCRII IN AND F	BED AND SWORN TO BEFORE ME A NOTARY PUBLIC OR THE COUNTY YAVAPAI
			THIS	DAY OF MARCH 2022 (month) and (year)
		UIS RAMON CASTILL otary Public - Arizor Yavapai County ommission # 61711! nm. Expires Nov 27,	na na	MISSION EXPIRES Nov. 27, 2025  (signature of notary public)
				(organization notary public)

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

		Full Gross-up Meth	od for Income Tax Statement of	Certification	
Verification:			Tax Statement of	Certification	
	State of	Arizona	I, the undersigned of the		
		(state name)			
	County of (cou	unty noma).			
		or official) title:	Yavapai		
	Company name		Tony Cordovana, Vice Proaloosa Water Company	resident	
		1.177	aroosa water company		
	FOR THE YE	CAR ENDING: 1	12/31/21		
Sworn Statement:	DV 1 GGGGG				
	UTILITY HAS TAX EXPENS GAAP IN AN	F NOT INCURRED N E OR A DECREASE AMOUNT EQUAL 1	EQUIREMENTS OF DECISION NO DVANCES AND CONTRIBUTION OR IS EXPECTED TO INCUR AS IN DEFERRED TAX ASSET FOR OR GREATER THAN THE ASPERIOD COVERED BY THIS AND THIS AND THIS AND THE AND THIS AND THE AND THIS AND THIS AND THE AND THIS AND THE AND THIS AND THE AND THE AND THIS AND THE	ONS, I HEREBY ST A NET INCREASE I OR A CARRY FORV MOUNT OF THE R	ATE THAT THE N CURRENT INCOME
				signature of ow	ner/official
				928-925-	7593
				telephon	e no.
		SUB	SCRIBED AND SWORN TO BEF	ODE ME A NOTAL	DV DUDI 10
		IN A	ND FOR THE COUNTY	ORE ME A NOTAL	WAPAI
					ounty name)
		THIS	144	DAY OF	11
				DAY OF	(month) and (year)
		LUIS RAMON CASTILLO Notary Public - Arizona Yavapai County Commission # 617115 omm. Expires Nov 27, 2025	COMMISSION EXPIRES	(date)	2022
			sign	nature of notary pub	lic)
					Page 20

## Profit and Loss January - December 2021

Income	TOTAL
461 - Metered Water Revenue	
Total Income	170,885.37
	\$170,885.37
GROSS PROFIT	\$170,885.37
Expenses	¥11 4,00 a.c.
408.11 - Property Taxes	10,299.71
427 - Interest Expense	4,288.57
620.1 - Repairs & Maintenance	4,651.57
620.2 - Office Supplies and Expense	4,031.37 847.19
620.2.2 Telephone - Internet	2,631.21
620.2.3 Banking Charges	448.20
620.2.4 Licenses & Subscriptions	3,235.62
620.2.5 Postage	2,133.02
Total 620.2 - Office-Supplies and Expense	9,295.24
633 - Contractual Services (Legal)	
634 - Contractual Services (Management Fees)	3,946.54
635 - Contractual Services (Water Testing)	146.12
636 - Contractual Services (Other)	883.00
641 - Rent of Building/Real Property	7,320.00
657 - Insurance (General Liability)	7,200.00
Payroll Expenses	5,160.67
Taxes	7.054.50
Wages	7,351.50
Total Payroll Expenses	95,000.10
Total Expenses	102,351.60
NET OPERATING INCOME	\$155,543.02
Other Expenses	\$15,342.35
615 - Purchased Power	
630 - Outside Services	9,100.47
Total Other Expenses	537.00
NET OTHER INCOME	\$9,637.47
	\$-9,637_47
NET INCOME	\$5,704.88

### Balance Sheet As of December 31, 2021

ASSETS	TOTAL
Current Assets	
Bank Accounts	
131 - Checking	
131 - Savings	3,756.85
Total Bank Accounts	5.42
Accounts Receivable	\$3,762.27
141 - Accounts Receivable (A/R)	
Total Accounts Receivable	-15,178.21
Other Current Assets	\$-1 <b>5</b> ,17 <b>8</b> .21
151 - Plant Material and Supplies	
Payroll Refunds	1,633.92
Total Other Current Assets	147.81
Total Current Assets	\$1,781.73
Fixed Assets	\$-9,634.21
101 - Utility Plant in Service	
301 - Organization	
302 - Franchises	264.00
303 - Land and Land Rights	2,309.00
304 - Structures & Improvements	3,161.00
Original cost	67,051.00
Total 304 Structures & Improvements	67,051.00 67,051.00
307 - Wells & Springs	θ7,051.00
Original cost	229 510 00
Total 307 - Wells & Springs	238,519.00 238,519.00
311 - Pumping Equipment	250,513.00
Original cost	94,131.00
Total 311 - Pumping Equipment	94,131.00 94,131.00
320.1 - Water Treatment Plants	34,131.00
Original cost	148,250.00
Total 320.1 - Water Treatment Plants	148,250.00
320.3 - Point of Use Treatment Devices	170,200.00
Original cost	25 625 00
Total 320.3 - Point of Use Treatment Devices	25,635.00 <b>25,635.00</b>
330.1 - Storage Tanks	.20,933.00
Original cost	100 100 00
	100,438.00

### **Balance Sheet**

As of December 31, 2021

Total 330.1 - Storage Tanks	TOTAL
331 - Transmission and Distribution Mains	100,438.0
Original cost	
Total 331 - Transmission and Distribution Mains	745,102.00
334 - Meters and Meter Installations	745,102.0
Original cost	
Total 334 - Meters and Meter Installations	15,055.00
335 - Hydrants	15,055.00
Original cost	
Total 335 - Hydrants	48,876.00
340 - Office Furniture & Equipment	48,876.00
Original cost	371.62
Total 340 - Office Furniture & Equipment	1,850.00
	2,221.62
340.1 - Computer & Software Original cost	
	1,500.00
Total 340.1 - Computer & Software	1,500.00
348 - Other Tangible Plant	
Original cost	12,889.00
Total 348 - Other Tangible Plant	12,889.00
Total 101 - Utility Plant in Service	1,505,401.62
108 - Accumulated Depreciation - Utility Plant ("AD-UP")	4556, 101102
304 - Accumulated Depreciation	-26,795.00
307 - Accumulated Depreciation	-95,315.00
311 - Accumulated Depreciation	-94,131.00
320.1 - Accumulated Depreciation	-38,022.00
330.1 - Accumulated Depreciation	-40,719.00
331 - Accumulated Depreciation	-178,824.00
334 - Accumulated Depreciation	-15,055.00
335 - Accumulated Depreciation	-11,735.00
340 - Accumulated Depreciation 340.1 - Accumulated Depreciation	-1,478.00
348 - Accumulated Depreciation	-1,500.00
	-8,251.00
Total 108 - Accumulated Depreciation - Utility Plant ("AD-UP")  Total Fixed Assets	~511,825.00
	\$993,576.62
OTAL ASSETS	\$983,942.41

### **Balance Sheet**

As of December 31, 2021

LIABILITIES AND EQUITY	TOTAL
Liabilities	
Current Liabilities	
Accounts Payable	
231 - Accounts Payable (A/P)	
Total Accounts Payable	3,409.11
Other Current Liabilities	<b>\$3,409.11</b>
234 - Notes/Accounts Payable to Associated Companies	
235 - Customer Deposits	0.00
236 - 3 Payroll Tax Payable	6,400.00
236 - Accrued Taxes	56.43
236-1 Federal Income Tax Payable	
236-2 Sales Tax Payable	-67.50
236-3 Payroll Tax Payable	27,684.76
236-5 Other taxes payable	-459.56
Total 236 - Accrued Taxes	-100.00
236-2 State Income Tax Payable	27,057.70
Arizona Department of Revenue Payable	-27,183.44
Payroll Liabilities	-1,046.81
AZ Income Tax	
AZ Unemployment Tax	82.50
Federal Taxes (941/944)	0.00
Federal Unemployment (940)	2,640.43
Total Payroll Liabilities	84.00
Total Other Current Liabilities	2,806.93
Total Current Liabilities	\$8,090.81
Long-Term Liabilities	\$11,499.92
224 - Long Term Notes and Bonds Payable	
252 - Advances in Aid of Construction	97,680.18
271 - Gross Contributions in Aid of Construction (CIAC)	0.00
272 - Amortization of Contributions	1,240,943.00
Total Long-Term Liabilities	-282,627.00
Total Liabilities	\$1,055,996.18
Equity	\$1,067,496.10
***DO NOT USE***Opening Balance Equity	
201 - Common Stock Issued	-111,272.47
215 - Retained Earnings	2,000.00
Net Income	20,013.90
Total Equity	5,704.88
	\$-83,553.69
TOTAL LIABILITIES AND EQUITY	\$983,942.41