

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-01906A
For the Year Ended:

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
East Slope Water Company
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

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	\$2,180	\$0	0	\$2,180	0	\$2,180
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	19,411	8,400	0	27,811	0	27,811
304	Structures and Improvements	55,721	1,024	0	56,745	14,443	42,302
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	484,440	4,500	0	488,940	145,115	343,825
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	734,479	24,484	0	758,963	506,889	252,074
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	3,064	3,746	0	6,810	2,449	4,361
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	10,276	0	0	10,276	7,265	3,011
330.1	Storage Tanks	470,510	0	0	470,510	62,939	407,571
330.2	Pressure Tanks	52,810	0	0	52,810	32,422	20,388
331	Transmission and Distribution Mains	2,231,311	16,028	0	2,247,339	434,948	1,812,391
333	Services	52,220	3,766	0	55,986	6,439	49,547
334	Meters and Meter Installations	90,210	1,758	0	91,968	46,021	45,947
335	Hydrants	12,580	0	0	12,580	629	11,951
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	22,654	0	22,654	756	21,898
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,044	0	0	1,044	78	966
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	600	0	600	30	570
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$4,220,256	\$86,960	\$0	\$4,307,216	\$1,260,423	\$3,046,793

East Slope 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	\$2,180	\$0	\$0	\$2,180	\$2,180	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	19,411	8,400	0	27,811	27,811	0	0.00%	0
304	Structures and Improvements	55,721	1,024	0	56,745	0	56,745	3.33%	1,873
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	484,440	4,500	0	488,940	60,588	428,352	3.33%	14,189
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	734,479	24,484	0	758,963	343,960	415,003	12.50%	50,345
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	3,064	3,746	0	6,810	1,076	5,734	20.00%	772
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	10,276	0	0	10,276	0	10,276	2.22%	228
330.1	Storage Tanks	470,510	0	0	470,510	0	470,510	2.22%	10,445
330.2	Pressure Tanks	52,810	0	0	52,810	0	52,810	5.00%	2,641
331	Transmission and Distribution Mains	2,231,311	16,028	0	2,247,339	143,358	2,103,981	2.00%	41,919
333	Services	52,220	3,766	0	55,986	0	55,986	3.33%	1,802
334	Meters and Meter Installations	90,210	1,758	0	91,968	14,939	77,029	8.33%	6,343
335	Hydrants	12,580	0	0	12,580	0	12,580	2.00%	252
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	22,654	0	22,654	0	22,654	6.67%	755
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,044	0	0	1,044	0	1,044	5.00%	52
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	600	0	600	0	600	10.00%	30
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$4,220,256	\$86,960	\$0	\$4,307,216	\$593,912	\$3,713,304		\$131,646

Contribution(s) in Aid of Construction (Gross)	\$311,908
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	287,707
Amortizable Contribution(s)	\$24,201
Times: Proposed Amortization Rate	3.54%
Amortization of CIAC	\$428

Less: Amortization of CIAC \$428

DEPRECIATION EXPENSE **\$131,218**

East Slope 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		\$238,738	\$69,660
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		15,554	1,544
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	9,647
174	Miscellaneous Current and Accrued Assets		17,807	199,739
	Total Current and Accrued Assets		\$272,099	\$280,590
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$4,220,256	\$4,307,216
103	Property Held for Future Use		508,855	508,855
105	Construction Work in Progress		2,625	6,669
108	Accumulated Depreciation (enter as negative)*		(1,128,776)	(1,260,423)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$3,602,960	\$3,562,317
	Total Assets		\$3,875,059	\$3,842,907

*Note these items feed automatically from AR3 UPIS Page 4

East Slope 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		\$5,257	\$13,941
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		24,658	26,943
236	Accrued Taxes		34,207	16,469
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		1,373	1,368
	Total Current Liabilities		\$65,495	\$58,721
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$1,668,904	\$1,606,587
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		1,622,235	1,618,418
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		287,707	311,908
272	Less: Amortization of Contributions		(287,707)	(288,135)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$1,622,235	\$1,642,191
	Total Liabilites		\$3,356,634	\$3,307,499
	Capital Accounts			
201	Common Stock Issued		\$100	\$100
211	Other Paid-In Capital		97,153	97,153
215	Retained Earnings		421,172	438,155
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$518,425	\$535,408
	Total Liabilities and Capital		\$3,875,059	\$3,842,907

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

East Slope 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	\$470,764	\$480,186
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	142,160	140,603
471	Miscellaneous Service Revenues	10,039	6,088
474	Other Water Revenue	0	0
	Total Revenues	\$622,963	\$626,877
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	79,255	73,900
618	Chemicals	375	2,773
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	20,663	12,778
620.2	Office Supplies and Expense	4,740	5,512
630	Contractual Services	0	0
631	Contractual Services - Engineering	1,800	0
632	Contractual Services - Accounting	743	4,842
633	Contractual Services - Legal	2,002	1,128
634	Contractual Services - Management Fees	214,988	208,551
635	Contractual Services - Water Testing	6,245	7,207
636	Contractual Services - Other	15,128	1,244
640	Rents	0	0
641	Rental of Building/Real Property	1,146	1,146
642	Rental of Equipment	0	0
650	Transportation Expenses	7,800	9,944
657	Insurance - General Liability	3,063	3,668
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	8,730	4,146
675	Miscellaneous Expense	1,144	1,659
403	Depreciation Expense (From Schedule AR4)	131,218	118,496
408	Taxes Other Than Income	0	0
408.11	Property Taxes	27,723	28,684
409	Income Taxes	5,895	15,719
427.1	Customer Security Deposit Interest	641	636
	Total Operating Expenses	\$533,299	\$502,033
	Operating Income / (Loss)	\$89,664	\$124,844
	Other Income / (Expense)		
419	Interest and Dividend Income	\$16,429	\$13,684
421	Non-Utility Income	1,268	3,118
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(90,379)	(94,242)
	Total Other Income / (Expense)	(\$72,682)	(\$77,440)
	Net Income / (Loss)	\$16,982	\$47,404

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0		0.0
Vice-president	0.0	0.0		0.0
Manager	0.0	0.0		0.0
Engineering Staff	0.0	0.0	difficult to	0.0
System Operator(s)	0.0	0.0	determine	0.0
Meter reader	0.0	0.0	without	0.0
Customer Service	0.0	0.0	significant	0.0
Accounting	0.0	0.0	analysis	0.0
Business Office	0.0	0.0		0.0
Rates Department	0.0	0.0		0.0
Administrative Staff	0.0	0.0		0.0
Other	0.0	0.0		0.0
Total	0.0	0.0	0.0	0.0

East Slope 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	3/6/2017			
Source of Loan	CoBank			
ACC Decision No.	75923			
Reason for Loan	Refi/improvements			
Dollar Amt. Issued	\$1,840,246			
Amount Outstanding	\$1,606,587			
Date of Maturity	3/20/2038			
Interest Rate	5.44% & 5.87%			
Current Year Interest	\$90,379			
Current Year Principal	\$62,317			

Meter Deposit Balance at Test Year End:	\$17,705
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Meter Deposits Refunded During the Test Year:	\$1,716
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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.

Well and Water Usage												
Name of the System:		EAST SLOPE WATER COMPANY										
ADEQ Public Water System Number:		AZ0402028										
ADWR PCC Number:		91-000046.0000										
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2021	Meter Size (inches)	How measured:	Active	
55-805786 Well 1	25	25	549	8	Submersible	1964	391	392	3	Metered	Yes	
55-805787 Well 2	5	20	560	8	Submersible	1963	360	361	3	Metered	Yes	
55-805788 Well 3	7.5	90	620	12	Submersible	1971	408	409	2	Metered	Yes	
55-805789 Well 4	60	200	802	10	Submersible	1977	408	409	4	Metered	Yes	
55-551665 Well 8	1	10	210	6	Submersible	1995	55	56	1	Metered	Yes	
55-575955 Well 1R	5	40	402	8	Submersible	1999	91	92	2	Metered	Yes	
55-575958 Well 2R	30	165	401	8	Submersible	2000	102	103	2	Metered	Yes	
55-596646 Well 3R	3	20	510	8	Submersible	2003	61	62	2	Metered	Yes	
55-211155 Well 4R	3	50	1,000	8	Submersible	2006	105	106	2	Metered	No	

Name of system water delivered to:	EAST SLOPE WATER - WEST
ADWR PCC Number:	91-000069.0000
Source of water delivered to another system	Ground Water

Name of system water received from:	
ADWR PCC Number:	
Source of water received	
Well registry 55# (55-XXXXXX):	

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 Expense6	Purchased Power (kWh)7
January	4,751,700.00	4,108,566.00	38,400.00	0.00	10,000.00	\$2,846	19,858
February	3,736,510.00	3,417,290.00	11,200.00	0.00	0.00	2,641	17,658
March	3,809,780.00	3,634,628.00	20,800.00	0.00	0.00	3,770	25,982
April	5,874,100.00	4,954,254.00	30,400.00	0.00	500.00	4,053	31,044
May	5,808,390.00	6,469,415.00	48,800.00	0.00	30,000.00	5,094	33,997
June	9,087,070.00	6,891,953.00	34,900.00	0.00	0.00	5,357	38,476
July	9,875,461.00	8,135,474.00	65,300.00	0.00	500,000.00	5,495	41,187
August	5,476,024.00	4,652,549.00	9,600.00	0.00	40,000.00	3,703	26,380
September	7,567,050.00	4,740,453.00	8,000.00	0.00	10,000.00	3,697	28,104
October	8,253,010.00	7,278,397.00	3,200.00	0.00	0.00	4,713	33,862
November	6,291,330.00	3,888,427.00	4,000.00	0.00	0.00	4,463	29,971
December	5,084,950.00	3,996,706.00	0.00	0.00	0.00	3,804	24,348
Totals	75,615,375.00	62,168,112.00	274,600.00	0.00	590,500.00	\$49,634	350,867

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 Flushing = 573,000 gallons, Construction = 500 gallons, Fire Dept = 17,000 gallons

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.

- 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.
- #VALUE!
 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)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	1 chlorinator
STRUCTURES:	Chain link fence around all sites.
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	314
Method used:	(a)

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:	4 chlorinators
-----------------------------	----------------

STRUCTURES:	Chain link fence around all sites
--------------------	-----------------------------------

OTHER:	N/A
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Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (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

217

 Method used:

(a)

Customer and Other Information	
Name of the System:	EAST SLOPE WATER - WEST
ADEQ Public Water System Number:	AZ0402094
ADWR PCC Number:	91-000069.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	250	0	1	0	0
February	249	0	1	0	0
March	250	0	1	0	0
April	249	0	1	0	0
May	250	0	1	0	0
June	250	0	1	0	0
July	250	0	1	0	0
August	250	0	1	0	0
September	252	0	1	0	0
October	253	0	1	0	0
November	253	0	1	0	0
December	253	0	1	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

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

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

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

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

Customer and Other Information	
Name of the System:	EAST SLOPE WATER COMPANY
ADEQ Public Water System Number:	AZ0402028
ADWR PCC Number:	91-000046.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	708	0	51	0	0
February	706	0	50	0	0
March	706	0	50	0	0
April	708	0	51	0	0
May	707	0	51	0	0
June	708	0	51	0	0
July	708	0	52	0	0
August	707	0	52	0	0
September	709	0	52	0	0
October	711	0	52	0	0
November	711	0	52	0	0
December	713	0	51	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 If yes, which AMA?

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

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

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

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

East Slope Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	EAST SLOPE WATER - WEST
ADEQ Public Water System Number:	AZ0402094
ADWR PCC Number:	91-000069.0000

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	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): 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.

East Slope Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	EAST SLOPE WATER COMPANY
ADEQ Public Water System Number:	AZ0402028
ADWR PCC Number:	91-000046.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	4	0
February	0	1	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	5	0
November	0	0	0
December	0	0	0
Total	0	10	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 2021 was	
--	--

	\$28,051
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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: East Slope 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.

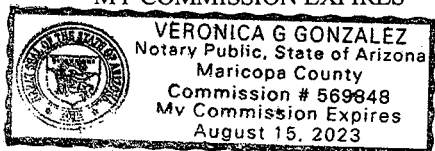
Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

B. 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 12th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES

VERONICA G GONZALEZ
Notary Public, State of Arizona
Maricopa County
Commission # 569848
My Commission Expires
August 15, 2023

August 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: East Slope 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 (\$)

\$661,153

(The amount in the box above includes

\$38,191 in sales taxes

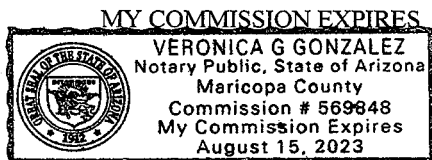
billed or collected)

B. J. J.
signature of owner/official

623-935-1100
telephone no.

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

THIS 12th DAY OF April 2022
(month) and (year)



August 15, 2023
(date)

Veronica G. Gonzalez
(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): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
Company name: East Slope 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 (\$)

\$618,145
(The amount in the box above includes
\$35,707 in sales taxes
billed or collected)

BTE
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 12th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES August 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: East Slope 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.

BTK
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 12th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES August 15, 2023
(date)



Veronica G Gonzalez
(signature of notary public)