

ANNUAL REPORT

Of

Company Name:

PO Box 3246

Mailing Address:

549 Camper Village Lane

Grand Canyon AZ

86023

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7/20/2022 11:49 AM

ARIZONA CORPORATION COMMISSION

UTILITIES DIVISION

Docket No.:

For the Year Ended:

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission

Compliance Section - Utilities Division

1200 West Washington Street

Phoenix, Arizona 85007

Application Type:

Application Date:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Hydro-Resources, Inc.

A Class Utility

For the Calendar Year Ended: 12/31/21

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.
	NA

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.
	NA

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	\$258,392	\$0	\$0	\$258,392	\$258,392	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	137,407	0	0	137,407	137,407	0
304	Structures and Improvements	22,696	0	0	22,696	4,536	18,160
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	883,247	0	0	883,247	590,585	292,662
307	Wells and Springs	0	0	0	0	0	0
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	180,094	4,346	40,610	143,830	80,928	62,902
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	64,341	0	0	64,341	49,636	14,705
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	230,832	223,943	0	454,775	23,483	431,292
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	48,639	1,735	0	50,374	16,148	34,226
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	62,923	0	0	62,923	37,488	25,435
340	Office Furniture and Equipment	3,021	0	0	3,021	3,021	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	38,052	23,901	0	61,953	44,568	17,385
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	43,104	1,179	0	44,283	10,582	33,701
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	58,037	0	0	58,037	33,968	24,069
346	Communication Equipment	2,074	0	0	2,074	1,242	832
347	Miscellaneous Equipment	9,362	0	0	9,362	5,008	4,354
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$2,042,221	\$255,104	\$40,610	\$2,256,715	\$1,296,992	\$959,723

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	\$258,392	\$0	\$0	\$258,392	\$258,392	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	137,407	0	0	137,407	137,407	0	0.00%	0
304	Structures and Improvements	22,696	0	0	22,696	0	22,696	3.33%	756
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	883,247	0	0	883,247	0	883,247	3.33%	29,412
307	Wells and Springs	0	0	0	0	0	0	0.00%	0
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	180,094	4,346	40,610	143,830	0	143,830	12.50%	20,245
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	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	64,341	0	0	64,341	0	64,341	2.22%	1,428
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	230,832	223,943	0	454,775	0	454,775	2.00%	6,856
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	48,639	1,735	0	50,374	0	50,374	8.33%	4,124
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	62,923	0	0	62,923	0	62,923	6.67%	4,197
340	Office Furniture and Equipment	3,021	0	0	3,021	0	3,021	6.67%	202
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	38,052	23,901	0	61,953	0	61,953	20.00%	10,001
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	43,104	1,179	0	44,283	0	44,283	5.00%	2,185
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	58,037	0	0	58,037	0	58,037	5.00%	2,902
346	Communication Equipment	2,074	0	0	2,074	0	2,074	10.00%	207
347	Miscellaneous Equipment	9,362	0	0	9,362	0	9,362	10.00%	936
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$2,042,221	\$255,104	\$40,610	\$2,256,715	\$395,799	\$1,860,916		\$83,451

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$0</u>
Times: Proposed Amortization Rate	4.48%
Amortization of CIAC	\$0

Less: Amortization of CIAC \$0
DEPRECIATION EXPENSE **\$83,451**

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets			
131	Cash		\$103,054	\$42,378
134	Working Funds		0	
135	Temporary Cash Investments		80,006	5,012
141	Customer Accounts Receivable		65,726	61,945
146	Notes Receivable from Associated Companies		0	
151	Plant Material and Supplies		0	
162	Prepayments		7,247	8,740
174	Miscellaneous Current and Accrued Assets		0	
	Total Current and Accrued Assets		\$256,033	\$118,075
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$2,042,221	\$2,256,715
103	Property Held for Future Use		0	
105	Construction Work in Progress		0	
108	Accumulated Depreciation (enter as negative)*		(1,253,567)	(1,296,992)
121	Non-Utility Property		0	
122	Accumulated Depreciation - Non Utility		0	
	Total Fixed Assets		\$788,654	\$959,723
	Total Assets		\$1,044,687	\$1,077,798

*Note these items feed automatically from AR3 UPIS Page 4

Hydro-Resources, Inc.
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		\$14,852	\$71,239
232	Notes Payable (Current Portion)		30,575	0
234	Notes Payable to Associated Companies		0	
235	Customer Deposits		0	
236	Accrued Taxes		0	
237	Accrued Interest		0	
242	Miscellaneous Current and Accrued Liabilities		8,623	10,480
	Total Current Liabilities		\$54,050	\$81,719
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	
252	Advances in Aid of Construction		0	
255	Accumulated Deferred Investment Tax Credits		0	
271	Contributions in Aid of Construction		0	
272	Less: Amortization of Contributions		0	
281	Accumulated Deferred Income Tax		0	
	Total Deferred Credits		\$0	\$0
	Total Liabilites		\$54,050	\$81,719
	Capital Accounts			
201	Common Stock Issued		\$50,000	\$50,000
211	Other Paid-In Capital		30,081	30,081
215	Retained Earnings		910,556	915,998
218	Proprietary Capital (Sole Props and Partnerships)		0	
	Total Capital		\$990,637	\$996,079
	Total Liabilities and Capital		\$1,044,687	\$1,077,798

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

Hydro-Resources, Inc.
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	\$535,992	\$438,564
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	Total Revenues	\$535,992	\$438,564
	Operating Expenses		
601	Salaries and Wages	\$139,267	\$165,196
604	Employee Pensions and Benefits	5,159	3,774
610	Purchased Water	0	40,023
615	Purchased Power	55,299	47,000
618	Chemicals	770	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	40,154	47,566
620.2	Office Supplies and Expense	4,867	6,311
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	27,900	27,900
633	Contractual Services - Legal	25,561	12,502
634	Contractual Services - Management Fees	37,500	8,066
635	Contractual Services - Water Testing	2,699	5,571
636	Contractual Services - Other	53,060	8,613
640	Rents	0	0
641	Rental of Building/Real Property	42,339	26,396
642	Rental of Equipment	2,354	0
650	Transportation Expenses	13,825	5,622
657	Insurance - General Liability	29,669	28,841
657.1	Insurance - Health and Life	25,278	15,273
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	3,400	2,733
403	Depreciation Expense (From Schedule AR4)	83,451	79,442
408	Taxes Other Than Income	11,326	14,218
408.11	Property Taxes	32,688	34,058

409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$636,566	\$579,105
	Operating Income / (Loss)	(\$100,574)	(\$140,541)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$6	\$86
421	Non-Utility Income	106,010	30,295
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$106,016	\$30,381
	Net Income / (Loss)	\$5,442	(\$110,160)

Hydro-Resources, Inc.
Annual Report
Full time equivalent employees
12/31/21

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	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	1.0	0.0	0.0	1.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.0	0.0
Accounting	0.0	0.0	1.0	1.0
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	1.0	0.0	0.0	1.0
Other	1.0	0.0	0.0	1.0
Total	4.0	0.0	1.0	5.0

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	NA	NA	NA	NA
Source of Loan	NA	NA	NA	NA
ACC Decision No.	NA	NA	NA	NA
Reason for Loan	NA	NA	NA	NA
Dollar Amt. Issued	NA	NA	NA	NA
Amount Outstanding	NA	NA	NA	NA
Date of Maturity	NA	NA	NA	NA
Interest Rate	NA	NA	NA	NA
Current Year Interest	NA	NA	NA	NA
Current Year Principal	NA	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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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: HYDRO RESOURCES-TUSAYAN											
ADEQ Public Water System Number			AZ0403312								
ADWR PCC Number:			91-000109.0000								
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2011	Water level 2021	Meter Size (inches)	How measured:	Active
55-54298	100	40-80	2,306	8	Submersible	1994	2421	2419	2"	Metered	Yes
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A
0	0	0	0	0	0	0	0	0	0	N/A	N/A

Name of system water delivered to:	ADOT GRAND CANYON AIRPORT
ADWR PCC Number:	91-000088.0000
Source of water delivered to another system	Ground Water

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

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	1,839,862.61	1,716,586.00	193,431.00	0.00	1,718,386.00	\$4,302	46,153
February	1,082,169.86	1,010,336.00	172,490.00	0.00	1,011,536.00	3,529	34,961
March	2,177,487.52	2,031,782.00	121,100.00	0.00	2,037,982.00	3,758	37,848
April	2,261,502.24	2,111,440.00	247,020.00	0.00	2,119,240.00	5,591	59,945
May	2,289,716.87	2,137,308.00	264,650.00	0.00	2,197,308.00	4,271	45,534
June	3,194,034.73	2,982,292.00	562,600.00	0.00	3,032,092.00	6,066	67,299
July	2,692,290.26	2,476,060.00	681,900.00	0.00	2,552,460.00	3,859	38,626
August	2,356,050.13	2,208,030.00	521,960.00	0.00	2,226,030.00	4,255	43,318
September	2,248,917.92	2,099,852.00	549,690.00	0.00	2,111,552.00	3,612	34,880
October	2,606,490.69	2,433,390.00	610,480.00	0.00	2,434,690.00	4,569	47,125
November	2,109,415.45	1,968,288.00	412,550.00	0.00	1,969,538.00	5,691	60,828
December	2,425,778.25	2,008,720.00	359,650.00	0.00	2,009,970.00	5,138	53,164
Totals	27,283,716.52	25,184,084.00	4,697,521.00	0.00	25,420,784.00	\$54,641	569,681

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

¹ Water withdrawn - Total gallons of water withdrawn from pumped sources.
² Water sold - Total gallons from customer meters, and other sales such as construction water.
³ Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
⁴ Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
⁵ Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
⁶ Enter the total purchased power costs for the power meters associated with this system.
⁷ Enter the total purchased kWh used by the power meters associated with this system.

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

TREATMENT EQUIPMENT:	2 Sodium Hypochlorite Pumps
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STRUCTURES:	Wellhouses, Fences, Control Sheds, Retaining Walls at Tusayan #2, Fire Pump Shed
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OTHER:	Improved access road to Well #2, cinder and concrete pads
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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
- (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	350
Method used:	(b)

Hydro-Resources, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	HYDRO RESOURCES-TUSAYAN
ADEQ Public Water System Number:	AZ0403312
ADWR PCC Number:	91-000109.0000

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):

NA

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	
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\$32,688

If no property taxes paid, explain why.

NA

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): Coconino
Name (owner or official) title: John W. Rueter
Company name: Hydro-Resources, Inc.

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.

John W. Rueter
signature of owner/official

928-522-4405
telephone no.

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

THIS

29th

DAY OF

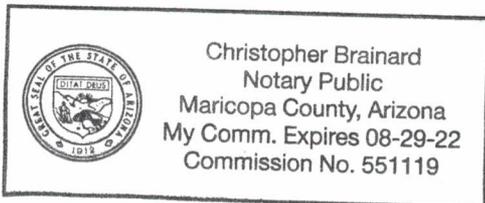
Maricopa
(county name)

April 2022
(month) and (year)

MY COMMISSION EXPIRES

Aug 29, 2022
(date)

CTH
(signature of notary public)



Verification and Sworn Statement

Verification:

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

County of (county name): Coconino

Name (owner or official) title: John W. Rueter

Company name: Hydro-Resources, Inc.

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 (\$)

\$594,415

(The amount in the box above includes

\$58,423 in sales taxes

billed or collected)

John W. Rueter
signature of owner/official

928-522-4405
telephone no.



Christopher Brainard
Notary Public
Maricopa County, Arizona
My Comm. Expires 08-29-22
Commission No. 551119

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

Maricopa
(county name)

THIS

29th

DAY OF

April 2022
(month) and (year)

MY COMMISSION EXPIRES

Aug 29 2022
(date)

[Signature]
(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): Coconino
Name (owner or official) title: John W. Rueter
Company name: Hydro-Resources, Inc.

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 (\$)

\$164,274

(The amount in the box above includes

\$13,426 in sales taxes
billed or collected)

John W. Rueter
signature of owner/official

928-522-4405
telephone no.

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

Maricopa
(county name)

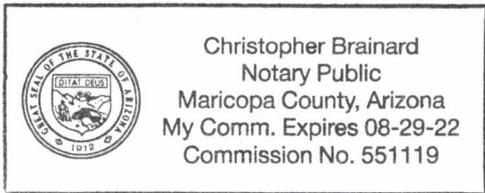
THIS 29th

DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES

Aug 29 2022
(date)

[Signature]
(signature of notary public)



Full Gross-up Method for Income Tax Statement of Certification

Verification:

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

County of (county name): Coconino
Name (owner or official) title: John W. Rueter
Company name: Hydro-Resources, Inc.

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 NOT INCURRED NOR 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.

John W. Rueter
signature of owner/official

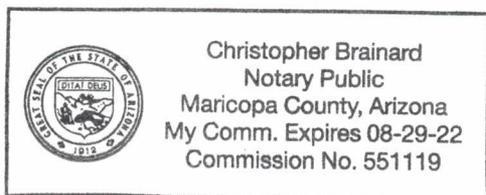
928-522-4405
telephone no.

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

Maricopa
(county name)

THIS Apr 29th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES Aug 29 2022
(date)



[Signature]
(signature of notary public)