

**ANNUAL REPORT**

Of

Company Name: **Inscription Canyon Water Company**  
PO Box 2344

Mailing Address: **Prescott AZ**  
**86302-2344**

Docket No.: **W-02824A**  
For the Year Ended: **12/31/21**

**RECEIVED**  
**BY EMAIL**  
**5/10/2022, 10:19 AM**  
**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [Util-Compliance@azcc.gov](mailto: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: **4/11/2022**

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Inscription Canyon Water Company  
A Class ☒ Utility

For the Calendar Year Ended: 12/31/21

Primary Address: 302 W. WILLIS STREET, SUITE 203  
City: PRESCOTT State: Arizona Zip Code: 86301

Telephone Number: 928-445-5606

Date of Original Organization of Utility: 10/9/2020

Person to whom correspondence should be addressed concerning this report:

Name: CHERYL IBBOTSON  
Telephone No. : 928-445-5606  
Address: 302 W. WILLIS STREET, SUITE 203  
City: PRESCOTT State: Arizona Zip Code: 86301  
Email: cherylibbotson@gmail.com

**Statutory Agent**

Name: CHERYL IBBOTSON  
Telephone No. : 928-445-5606  
Address: 302 W. WILLIS STREET, SUITE 203  
City: PRESCOTT State: Arizona Zip Code: 86301  
Email: ICWATERAZ@GMAIL.COM

**Management Contact**

Name: PAT CARPENTER  
Telephone No. : 928-606-0498  
Address: PO BOX 264  
City: WILLIAMS State: Arizona Zip Code: 86046  
Email: PATAQUALITYWATER@GMAIL.COM

**On-Site Manager**

Name: DEREK SCOTT  
Telephone No. : 928-925-1294  
Address: PO BOX 264  
City: WILLIAMS State: Arizona Zip Code: 86046  
Email: dmscott20@gmail.com

**NA**

Name:   
Telephone No. :   
Address:   
City:  State: Arizona Zip Code:   
Email:

Ownership: Association--Cooperative

Counties Served: Yavapai

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.

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.

Inscription Canyon Water Company  
Annual Report  
Utility Plant in Service (Water)  
12/31/21

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	16,388	0	0	16,388	16,388	0
303	Land and Land Rights	39,880	0	0	39,880	0	39,880
304	Structures and Improvements	256,161	25,990	0	282,151	129,621	152,530
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	364,087	22,466	0	386,553	156,810	229,743
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	1,439,441	0	0	1,439,441	1,328,818	110,623
320	Water Treatment Equipment	7,832	0	0	7,832	3,956	3,876
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	614,782	0	0	614,782	197,897	416,885
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	7,462,446	249,057	0	7,711,503	2,390,083	5,321,420
333	Services	983,646	0	0	983,646	481,765	501,881
334	Meters and Meter Installations	369,423	85,000	0	454,423	88,327	366,096
335	Hydrants	677,431	0	0	677,431	208,126	469,305
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	46,957	0	0	46,957	25,688	21,269
340	Office Furniture and Equipment	233	0	0	233	233	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	438	0	0	438	330	108
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$12,279,145</b>	<b>\$382,512</b>	<b>\$0</b>	<b>\$12,661,657</b>	<b>\$5,028,042</b>	<b>\$7,633,615</b>

Inscription Canyon 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	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	16,388	0	0	16,388	\$0	16,388	0.00%	0
303	Land and Land Rights	39,880	0	0	39,880	\$0	39,880	0.00%	0
304	Structures and Improvements	256,161	25,990	0	282,151	\$0	282,151	3.33%	8,908
305	Collecting & Improving Reservoirs	0	0	0	0	\$0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	\$0	0	2.50%	0
307	Wells and Springs	364,087	22,466	0	386,553	\$0	386,553	3.33%	12,274
308	Infiltration Galleries	0	0	0	0	\$0	0	6.67%	0
309	Supply Mains	0	0	0	0	\$0	0	2.00%	0
310	Power Generation Equipment	0	0	0	0	\$0	0	5.00%	0
311	Pumping Equipment	1,439,441	0	0	1,439,441	\$0	1,439,441	12.50%	11,985
320	Water Treatment Equipment	7,832	0	0	7,832	\$0	7,832	3.33%	371
320.1	Water Treatment Plants	0	0	0	0	\$0	0	3.33%	0
320.2	Solution Chemical Feeders	0	0	0	0	\$0	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	\$0	0	10.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	\$0	0	0.00%	0
330.1	Storage Tanks	614,782	0	0	614,782	\$0	614,782	2.22%	13,660
330.2	Pressure Tanks	0	0	0	0	\$0	0	5.00%	0
331	Transmission and Distribution Mains	7,462,446	249,057	0	7,711,503	\$0	7,711,503	2.00%	150,290
333	Services	983,646	0	0	983,646	\$0	983,646	3.33%	32,793
334	Meters and Meter Installations	369,423	85,000	0	454,423	\$0	454,423	8.33%	33,818
335	Hydrants	677,431	0	0	677,431	\$0	677,431	2.00%	13,566
336	Backflow Prevention Devices	0	0	0	0	\$0	0	6.67%	0
339	Other Plant and Misc. Equipment	46,957	0	0	46,957	\$0	46,957	6.67%	2,983
340	Office Furniture and Equipment	233	0	0	233	\$0	233	6.67%	5
340.1	Computer & Software	0	0	0	0	\$0	0	20.00%	0
341	Transportation Equipment	0	0	0	0	\$0	0	20.00%	0
342	Stores Equipment	0	0	0	0	\$0	0	4.00%	0
343	Tools, Shop and Garage Equipment	438	0	0	438	\$0	438	5.00%	22
344	Laboratory Equipment	0	0	0	0	\$0	0	10.00%	0
345	Power Operated Equipment	0	0	0	0	\$0	0	5.00%	0
346	Communication Equipment	0	0	0	0	\$0	0	10.00%	0
347	Miscellaneous Equipment	0	0	0	0	\$0	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	\$0	0	0.00%	0
	<b>Subtotal</b>	<b>\$12,279,145</b>	<b>\$382,512</b>	<b>\$0</b>	<b>\$12,661,657</b>	<b>\$0</b>	<b>\$12,661,657</b>		<b>\$280,675</b>

Contribution(s) in Aid of Construction (Gross)	\$5,706,148
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$5,706,148
Times: Proposed Amortization Rate	2.22%
Amortization of CIAC	\$126,490

Less: Amortization of CIAC **\$126,490**

**DEPRECIATION EXPENSE \$154,185**

Inscription Canyon 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.	<b>Current and Accrued Assets</b>			
131	Cash		\$747,340	\$805,043
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		28,927	24,791
146	Notes Receivable from Associated Companies		13,500	
151	Plant Material and Supplies			
162	Prepayments		19,538	19,538
174	Miscellaneous Current and Accrued Assets		4,329	4,329
	<b>Total Current and Accrued Assets</b>		<b>\$813,634</b>	<b>\$853,701</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$12,279,145	\$12,661,657
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(4,749,741)	(5,028,042)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$7,529,404</b>	<b>\$7,633,615</b>
	<b>Total Assets</b>		<b>\$8,343,038</b>	<b>\$8,487,317</b>

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

Inscription Canyon 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		\$22,895	\$58,208
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		17,880	24,275
236	Accrued Taxes		0	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities			0
	<b>Total Current Liabilities</b>		<b>\$40,775</b>	<b>\$82,483</b>
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt			\$0
252	Advances in Aid of Construction		6,246,829	6,237,715
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		5,457,092	5,706,149
272	Less: Amortization of Contributions		(1,577,982)	(1,708,462)
281	Accumulated Deferred Income Tax			
	<b>Total Deferred Credits</b>		<b>\$10,125,939</b>	<b>\$10,235,401</b>
	<b>Total Liabilities</b>		<b>\$10,166,714</b>	<b>\$10,317,884</b>
	Capital Accounts			
201	Common Stock Issued			
211	Other Paid-In Capital			
215	Retained Earnings		(1,823,676)	(1,830,568)
218	Proprietary Capital (Sole Props and Partnerships)			
	<b>Total Capital</b>		<b>(\$1,823,676)</b>	<b>(\$1,830,568)</b>
	<b>Total Liabilities and Capital</b>		<b>\$8,343,038</b>	<b>\$8,487,317</b>

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

Inscription Canyon 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
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$658,639	\$647,034
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	6,280	4,987
	<b>Total Revenues</b>	<b>\$664,920</b>	<b>\$652,021</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	18,601	11,859
615	Purchased Power	95,302	112,784
618	Chemicals	3,816	2,538
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	80,384	20,550
620.2	Office Supplies and Expense	11,423	11,218
630	Contractual Services	0	0
631	Contractual Services - Engineering	42,650	0
632	Contractual Services - Accounting	53,931	49,409
633	Contractual Services - Legal	1,155	52,376
634	Contractual Services - Management Fees	149,445	138,233
635	Contractual Services - Water Testing	3,115	3,059
636	Contractual Services - Other	6,351	8,557
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	68	165
657	Insurance - General Liability	18,768	16,203
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	24,007	1,179
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	13,062
403	Depreciation Expense (From Schedule AR4)	154,185	273,855
408	Taxes Other Than Income	0	0
408.11	Property Taxes	18,218	23,120
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	732	880
	<b>Total Operating Expenses</b>	<b>\$682,149</b>	<b>\$739,047</b>
	<b>Operating Income / (Loss)</b>	<b>(\$17,230)</b>	<b>(\$87,026)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$14	\$0
421	Non-Utility Income	3,958	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	<b>Total Other Income / (Expense)</b>	<b>\$3,973</b>	<b>\$0</b>
	<b>Net Income / (Loss)</b>	<b>(\$13,257)</b>	<b>(\$87,026)</b>



Inscription Canyon 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
Vice-president	1.0			1.0
Manager				0.0
Engineering Staff			1.0	1.0
System Operator(s)			2.0	2.0
Meter reader			1.0	1.0
Customer Service			1.0	1.0
Accounting			1.0	1.0
Business Office				0.0
Rates Department				0.0
Administrative Staff			1.0	1.0
Other				0.0
<b>Total</b>	<b>2.0</b>	<b>0.0</b>	<b>7.0</b>	<b>9.0</b>

Inscription Canyon 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	n/a	n/a	n/a	n/a
Source of Loan	n/a	n/a	n/a	n/a
ACC Decision No.	n/a	n/a	n/a	n/a
Reason for Loan	n/a	n/a	n/a	n/a
Dollar Amt. Issued	n/a	n/a	n/a	n/a
Amount Outstanding	n/a	n/a	n/a	n/a
Date of Maturity	n/a	n/a	n/a	n/a
Interest Rate	n/a	n/a	n/a	n/a
Current Year Interest	n/a	n/a	n/a	n/a
Current Year Principal	n/a	n/a	n/a	n/a

Meter Deposit Balance at Test Year End:	\$167,904
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Meter Deposits Refunded During the Test Year:	\$17,799
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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

[illegible]

Name of system water delivered to:	INSCRIPTION CANYON RANCH SYSTEM	
ADWR PCC Number:	91-000687.0000	
Source of water delivered to another system	NA	

Name of system water received from:	INSCRIPTION CANYON RANCH SYSTEM	
ADWR PCC Number:	91-000687.0000	
Source of water received	NA	
Well registry 55# (55-XXXXXXX):		

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	2,421,858.00	2,329,280.00	0.00	0.00	22,000.00	\$2,589	13,730
February	1,968,233.00	1,767,570.00	0.00	0.00	20,000.00	3,824	20,442
March	1,934,482.00	1,727,540.00	0.00	0.00	30,000.00	1,733	12,152
April	2,682,025.00	2,431,220.00	0.00	0.00	190,000.00	1,995	14,888
May	4,553,375.00	4,584,230.00	0.00	0.00	45,000.00	2,673	22,018
June	5,360,385.00	5,162,710.00	0.00	0.00	35,000.00	2,875	25,104
July	5,329,278.00	4,894,720.00	0.00	0.00	35,000.00	2,855	25,556
August	4,037,872.00	3,835,730.00	0.00	0.00	40,000.00	2,205	17,007
September	4,145,195.00	4,026,920.00	0.00	0.00	40,000.00	2,414	19,498
October	3,637,978.00	3,368,280.00	0.00	0.00	40,000.00	2,407	17,742
November	3,109,806.00	2,849,290.00	0.00	0.00	35,000.00	1,992	15,175
December	2,165,209.00	2,015,790.00	0.00	0.00	25,000.00	1,781	12,201
<b>Totals</b>	<b>41,345,696.00</b>	<b>38,993,280.00</b>	<b>0.00</b>	<b>0.00</b>	<b>557,000.00</b>	<b>\$29,344</b>	<b>215,513</b>

**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.

## Well and Water Usage

[illegible]

Name of system water delivered to:		ICR TALKING ROCK
ADWR PCC Number:		91-000686.0000
Source of water delivered to another system	Other	
Name of system water received from:		ICR TALKING ROCK
ADWR PCC Number:		91-000686.0000
Source of water received	Other	
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 Expense*	Purchased Power (kWh)
January	1,519,555.00	1,472,820.00	0.00	0.00	40,000.00	\$3,377	10,120
February	1,322,878.00	1,207,380.00	0.00	0.00	30,000.00	1,680	12,720
March	4,734,613.00	4,579,887.00	0.00	0.00	200,000.00	4,385	3,680
April	8,337,147.00	8,547,614.00	0.00	0.00	60,000.00	4,751	51,760
May	17,574,174.00	17,115,960.00	0.00	0.00	60,000.00	8,562	86,000
June	18,699,043.00	18,422,490.00	0.00	0.00	40,000.00	8,613	43,200
July	17,426,071.00	16,959,660.00	0.00	0.00	40,000.00	8,332	85,960
August	13,882,687.00	12,920,100.00	0.00	0.00	60,000.00	6,261	59,160
September	12,941,643.00	11,881,110.00	0.00	0.00	60,000.00	6,230	60,000
October	13,257,369.00	10,094,530.00	0.00	0.00	50,000.00	6,068	57,840
November	9,445,421.00	7,226,970.00	0.00	0.00	40,000.00	4,228	45,600
December	5,614,726.00	4,257,150.00	0.00	0.00	35,000.00	3,472	32,720
<b>Totals</b>	<b>124,755,327.00</b>	<b>114,685,671.00</b>	<b>0.00</b>	<b>0.00</b>	<b>715,000.00</b>	<b>\$65,958</b>	<b>\$48,760</b>

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

\_\_\_\_\_

**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.

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.

[illegible]

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	382	0%	0%
1	40	0%	0%
2	2	0%	0%
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA	424		

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

BOOSTER PUMPS		
Horsepower	GPM	Quantity
100		2
75		3
25		2
40		4

FIRE HYDRANTS	
Type	Quantity
Standard *	115
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
350K		2	

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
N/A			

Page 12

**Water Utility Plant Description (Continued)**

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

<b>TREATMENT EQUIPMENT:</b>	CHLORINE INJECTION
<b>STRUCTURES:</b>	3 WELL HOUSES, 3 BOOSTER STATIONS, WELL FIELD ELECTRICAL CONTROL HOUSE
<b>OTHER:</b>	2 STORAGE HOUSES

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
- (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 

257
-----

  
 Method used: 

(a)
-----

[illegible]

SERVICE LINES		
Material	Percent of system	Year installed
PVC	100%	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
35		2

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
350K		2	

[illegible]

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

[illegible]

Page 12b

**Water Utility Plant Description (Continued)**

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

<b>TREATMENT EQUIPMENT:</b>	CHLORINE INJECTION
<b>STRUCTURES:</b>	2 WELL HOUSES, 1 BOOSTER STATION
<b>OTHER:</b>	2 STORAGE TANKS; THE FIELDS FOR NUMBER OF METERS IS NOT WORKING ON THIS SPREADSHEET THE FOLLOWING ARE # OF METERS BY SIZE: 330-5/8; 122-1 INCH; 4-2 INCH; 3- 1 1/2 INCH; 1- 6 INCH

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 = ( Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day )

ERC 

195
-----

  
Method used: 

(a)
-----



Customer and Other Information	
Name of the System:	INSCRIPTION CANYON RANCH SYSTEM
ADEQ Public Water System Number:	AZ0413303
ADWR PCC Number:	91-000687.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	392	0	1	0	0
February	392	0	1	0	0
March	394	0	1	0	0
April	400	0	1	0	0
May	406	0	1	0	0
June	407	0	1	0	0
July	408	0	1	0	0
August	412	0	1	0	0
September	414	0	1	0	0
October	418	0	1	0	0
November	425	0	1	0	0
December	427	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:	ICR TALKING ROCK
ADEQ Public Water System Number:	AZ0413263
ADWR PCC Number:	91-000686.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	401	0	11	6	0
February	405	0	11	6	0
March	408	0	11	6	0
April	414	0	11	6	0
May	423	0	11	6	1
June	423	0	11	6	1
July	430	0	11	6	1
August	425	0	11	6	1
September	429	0	11	6	1
October	438	0	11	6	1
November	441	0	11	6	1
December	443	0	11	6	1

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.

Inscription Canyon Water Company  
Annual Report  
Utility Shutoffs / Disconnects  
12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	INSCRIPTION CANYON RANCH SYSTEM
ADEQ Public Water System Number:	AZ0413303
ADWR PCC Number:	91-000687.0000

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other (description):

**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.

Inscription Canyon Water Company  
Annual Report  
Utility Shutoffs / Disconnects  
12/31/21

Utility Shutoffs / Disconnects		
Name of the System:	ICR TALKING ROCK	
ADEQ Public Water System Number:	AZ0413263	
ADWR PCC Number:	91-000686.0000	

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):

**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.

**Inscription Canyon Water Company  
Annual Report  
Property Taxes  
12/31/21**

Property Taxes	
----------------	--

Amount of actual property taxes paid during Calendar Year 2021 was

	\$27,019
--	----------

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.

<u>Name of the System:</u>	ICR TALKING ROCK
<u>ADEQ Public Water System Number</u>	AZ0413263
<u>ADWR PCC Number:</u>	91-000686.0000

[illegible]

Material	Percent of system	Year installed
PVC	100%	

Horsepower	GPM	Quantity
35		2

Quantity Standard*	Quantity Other
Standard *	0
Other	0

Capacity (gallons)	Material	Quantity	Year installed
350K		2	

[illegible]

Page 20b

WATER COMPANY PLANT DESCRIPTION (Continued)	
1	2
3	4
5	6
7	8
9	10
11	12
13	14
15	16
17	18
19	20
21	22
23	24
25	26
27	28
29	30
31	32
33	34
35	36
37	38
39	40
41	42
43	44
45	46
47	48
49	50
51	52
53	54
55	56
57	58
59	60
61	62
63	64
65	66
67	68
69	70
71	72
73	74
75	76
77	78
79	80
81	82
83	84
85	86
87	88
89	90
91	92
93	94
95	96
97	98
99	100

[illegible]

**For the following three items, please list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

## CHLORINE INJECTION

**STRUCTURES:**

2 WELL HOUSES, 1 BOOSTER STATION

**OTHER:**

2 STORAGE TANKS; THE  
FIELDS FOR NUMBER OF METERS IS NOT WORKING ON THIS SPREADSHEET THE FOLLOWING ARE # OF  
METERS BY SIZE: 336-5/8; 134-1 INCH; 7-2 INCH; 2- 1 1/2 INCH; 1- 6 INCH

**WATER USE DATA SHEET**

Name of the System:		ICR TALKING ROCK					
ADEQ Public Water System Number:		AZ0413263					
ADWR PCC Number:		91-000686.0000					
(12 Months of Test Year)	Water withdrawn (gallons) <sup>1</sup>	Water sold (gallons) <sup>2</sup>	Water delivered (sold) to other systems (gallons) <sup>3</sup>	Water received (purchased) from other systems (gallons) <sup>4</sup>	Estimated authorized use (gallons) <sup>5</sup>	Purchased Power Expense <sup>6</sup>	Purchased Power (kWh) <sup>7</sup>
January	1,519,555.000	1,472,820.000	0.000	0.000	40,000.000	\$3,377	10,120
February	1,322,878.000	1,207,380.000	0.000	0.000	30,000.000	1,680	12,720
March	4,734,613.000	4,579,887.000	0.000	0.000	200,000.000	4,385	3,680
April	8,337,147.000	8,547,614.000	0.000	0.000	60,000.000	4,751	51,760
May	17,574,174.000	17,115,960.000	0.000	0.000	60,000.000	8,562	86,000
June	18,699,043.000	18,422,490.000	0.000	0.000	40,000.000	8,613	43,200
July	17,426,071.000	16,959,660.000	0.000	0.000	40,000.000	8,332	85,960
August	13,882,687.000	12,920,100.000	0.000	0.000	60,000.000	6,261	59,160
September	12,941,643.000	11,881,110.000	0.000	0.000	60,000.000	6,230	60,000
October	13,257,369.000	10,094,530.000	0.000	0.000	50,000.000	6,068	57,840
November	9,445,421.000	7,226,970.000	0.000	0.000	40,000.000	4,228	45,600
December	5,614,726.000	4,257,150.000	0.000	0.000	35,000.000	3,472	32,720
<b>TOTAL</b>	<b>124,755,327.000</b>	<b>#####</b>	<b>0.000</b>	<b>0.000</b>	<b>715,000.000</b>	<b>\$65,958</b>	<b>548,760</b>

If yes, are the fire flow requirements?

2,000 GPM for

2 hrs.

Does the system have chlorination treatment?

Yes

Is the Water Utility located in an ADWR Active Management Area (AMA)?

No

If yes, which AMA?

NA

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

No

If yes, provide the GPCPD amount:

N/A

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

1 Water withdrawn - Total acre feet of water withdrawn from pumped sources.

2 Water sold - Total acre feet from customer meters, and other sales such as construction water.

3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.

4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.

5 Estimated authorized use - Total estimated acre feet 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

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.



**CUSTOMER DATA SHEET**

Name of the System: ICR TALKING ROCK  
ADEQ Public Water System Number: AZ0413263  
ADWR PCC Number: 91-000686.0000

Month	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	401	0	11	6	0
February	405	0	11	6	0
March	408	0	11	6	0
April	414	0	11	6	0
May	423	0	11	6	1
June	423	0	11	6	1
July	430	0	11	6	1
August	425	0	11	6	1
September	429	0	11	6	1
October	438	0	11	6	1
November	441	0	11	6	1
December	443	0	11	6	1

Verification and Sworn Statement (Taxes)

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

County of (county name): Yavapai  
Name (owner or official) title: GILES HOWARD - TREASURER  
Company name: Inscription Canyon 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.

[Signature]  
signature of owner/official

970-846-6445  
telephone no.

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

THIS

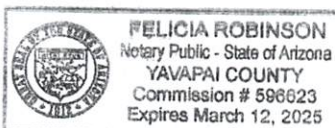
14<sup>th</sup>

DAY OF

Yavapai  
(county name)  
April, 2022  
(month) and (year)

MY COMMISSION EXPIRES

3/12/25  
(date)



Felicia Robinson  
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name):

Yavapai

Name (owner or official) title:

GILES HOWARD - TREASURER

Company name:

Inscription Canyon 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 (\$)

\$708,146

(The amount in the box above includes

\$43,227 in sales taxes

billed or collected)



Signature of owner/official

970-846-6445

telephone no.

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

THIS

14<sup>th</sup>

DAY OF

Yavapai

(county name)

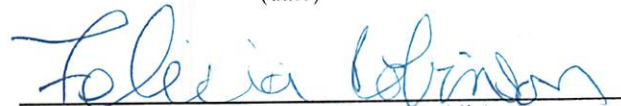
April 2022

(month) and (year)

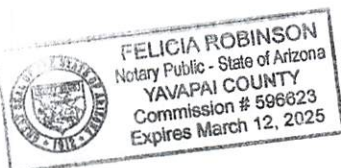
MY COMMISSION EXPIRES

3/12/25

(date)



(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):

Yavapai

Name (owner or official) title:

GILES HOWARD - TREASURER

Company name:

Inscription Canyon 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:

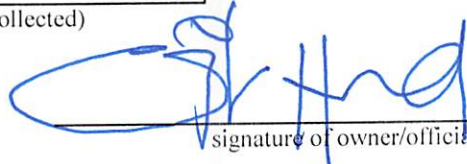
Arizona Intrastate Gross Operating Revenues Only (\$)

\$708,146

(The amount in the box above includes

\$43,227 in sales taxes

billed or collected)

  
signature of owner/official

970-846-6445

telephone no.

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

Yavapai  
(county name)

THIS

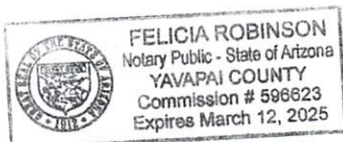
14<sup>th</sup>

DAY OF

April 2022  
(month) and (year)

MY COMMISSION EXPIRES

3/12/25  
(date)



\_\_\_\_\_  
(signature of notary public)



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

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):

Yavapai

Name (owner or official) title:

GILES HOWARD - TREASURER

Company name:

Inscription Canyon 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 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.



signature of owner/official

970-846-6445

telephone no.

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

Yavapai  
(county name)

THIS

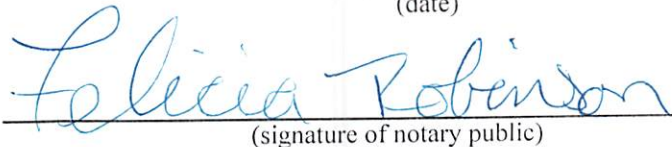
14th

DAY OF

April 2022  
(month) and (year)

MY COMMISSION EXPIRES

3/12/25  
(date)

  
(signature of notary public)

