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ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

ANNUAL REPORT

Of

Company Name: Inscription Canyon Water Company  
PO Box 2344

Mailing Address: Prescott AZ  
86302-2344

Docket No.: W-02824A W-21093

For the Year Ended: 12/31/22

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: Original Filing

Application Date: 4/19/2023

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

For the Calendar Year Ended: 12/31/22

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

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: dmscotth2o@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: cherylibbotson@gmail.com

NA

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

Ownership: Association--Cooperative

Counties Served: Yavapai

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Inscription Canyon Water Company

<b>Important changes during the year</b>
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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)  
12/31/22

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	282,151	0	0	282,151	138,926	143,225
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	386,553	109,857	154,291	342,119	17,010	325,109
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	150,994	0	1,590,435	1,346,479	243,956
320	Water Treatment Equipment	7,832	0	0	7,832	4,327	3,505
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	212,058	(212,058)
330.1	Storage Tanks	614,782	0	0	614,782	0	614,782
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	7,711,503	0	0	7,711,503	2,546,883	5,164,620
333	Services	983,646	0	0	983,646	514,552	469,094
334	Meters and Meter Installations	454,423	118,538	0	572,961	130,771	442,190
335	Hydrants	677,431	0	0	677,431	221,692	455,739
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	46,957	0	0	46,957	28,664	18,293
340	Office Furniture and Equipment	233	0	0	233	233	0
340.1	Computer & Software	0	4,997	0	4,997	0	4,997
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	352	86
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>\$12,661,658</b>	<b>\$384,385</b>	<b>\$154,291</b>	<b>\$12,891,752</b>	<b>\$5,178,335</b>	<b>\$7,713,417</b>

Inscription Canyon Water Company  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/22

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	282,151	0	0	282,151	0	282,151	3.33%	9,305
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	386,553	109,857	154,291	342,119	0	342,119	3.33%	14,491
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	150,994	0	1,590,435	0	1,590,435	12.50%	17,661
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%	13,648
330.2	Pressure Tanks	0	0	0	0	0	0	5.00%	0
331	Transmission and Distribution Mains	7,711,503	0	0	7,711,503	0	7,711,503	2.00%	156,800
333	Services	983,646	0	0	983,646	0	983,646	3.33%	32,787
334	Meters and Meter Installations	454,423	118,538	0	572,961	0	572,961	8.33%	42,444
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%	2,976
340	Office Furniture and Equipment	233	0	0	233	0	233	6.67%	16
340.1	Computer & Software	0	4,997	0	4,997	0	4,997	20.00%	500
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>\$12,661,658</b>	<b>\$384,385</b>	<b>\$154,291</b>	<b>\$12,891,752</b>	<b>\$0</b>	<b>\$12,891,752</b>		<b>\$304,586</b>

Contribution(s) in Aid of Construction (Gross)	\$5,706,149
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$5,706,149
Times: Proposed Amortization Rate	2.36%
Amortization of CIAC	\$134,816

Less: Amortization of CIAC **\$134,816**

**DEPRECIATION EXPENSE \$169,770**

Inscription Canyon Water Company  
Annual Report  
Balance Sheet Assets  
12/31/22

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$805,043	\$501,059
134	Working Funds			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		24,791	37,657
146	Notes Receivable from Associated Companies			
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>\$853,701</b>	<b>\$562,583</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$12,661,658	\$12,891,752
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(5,028,042)	(5,178,335)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	<b>Total Fixed Assets</b>		<b>\$7,633,616</b>	<b>\$7,713,417</b>
	<b>Total Assets</b>		<b>\$8,487,317</b>	<b>\$8,276,000</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 (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities			
231	Accounts Payable		\$58,208	\$72,603
232	Notes Payable (Current Portion)		0	
234	Notes Payable to Associated Companies		0	
235	Customer Deposits		24,275	27,975
236	Accrued Taxes		0	
237	Accrued Interest		0	
242	Miscellaneous Current and Accrued Liabilities		0	0
	<b>Total Current Liabilities</b>		<b>\$82,483</b>	<b>\$100,578</b>
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		6,237,715	6,195,266
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		5,706,149	5,706,149
272	Less: Amortization of Contributions		(1,708,462)	(1,839,288)
281	Accumulated Deferred Income Tax		0	0
	<b>Total Deferred Credits</b>		<b>\$10,235,402</b>	<b>\$10,062,126</b>
	<b>Total Liabilities</b>		<b>\$10,317,885</b>	<b>\$10,162,704</b>
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		(1,830,568)	(1,886,704)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>(\$1,830,568)</b>	<b>(\$1,886,704)</b>
	<b>Total Liabilities and Capital</b>		<b>\$8,487,317</b>	<b>\$8,276,000</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  
12/31/22

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$713,566	\$658,639
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	5,159	6,281
	<b>Total Revenues</b>	<b>\$718,725</b>	<b>\$664,920</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	21,881	18,601
615	Purchased Power	130,726	95,300
618	Chemicals	2,284	3,816
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	95,369	80,384
620.2	Office Supplies and Expense	11,036	11,423
630	Contractual Services	0	0
631	Contractual Services - Engineering	71,187	42,650
632	Contractual Services - Accounting	54,661	53,931
633	Contractual Services - Legal	158	1,155
634	Contractual Services - Management Fees	182,136	149,445
635	Contractual Services - Water Testing	4,472	3,115
636	Contractual Services - Other	0	6,351
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	62	68
657	Insurance - General Liability	19,115	18,768
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	3,722	24,007
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	169,770	154,185
408	Taxes Other Than Income	0	0
408.11	Property Taxes	17,959	18,218
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	903	732
	<b>Total Operating Expenses</b>	<b>\$785,442</b>	<b>\$682,149</b>
	<b>Operating Income / (Loss)</b>	<b>(\$66,716)</b>	<b>(\$17,229)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$51	\$14
421	Non-Utility Income	11,914	3,958
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	<b>Total Other Income / (Expense)</b>	<b>\$11,965</b>	<b>\$3,972</b>
	<b>Net Income / (Loss)</b>	<b>(\$54,752)</b>	<b>(\$13,257)</b>



**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	1.0	1.0
Vice-president	0.0	0.0	1.0	1.0
Manager	0.0	0.0	1.0	1.0
Engineering Staff	0.0	0.0	1.0	1.0
System Operator(s)	0.0	0.0	1.0	1.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	1.0	1.0
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	0.0	0.0	1.0	1.0
Other	0.0	0.0	0.0	0.0
<b>Total</b>	0.0	0.0	8.0	8.0

Inscription Canyon Water Company  
Annual Report  
Supplemental Financial Data (Long-Term Debt)  
12/31/22

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:	\$189,036
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Meter Deposits Refunded During the Test Year:	\$23,333
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<p><i>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.</i></p>
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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>a</sup>	Purchased Power (kWh)
January	1,679,735.00	1,456,860.00	222,875.00	0.00	30,000.00	\$1,752	11,472
February	1,871,063.00	1,631,755.00	239,308.00	0.00	40,000.00	1,690	10,882
March	1,598,623.00	1,535,320.00	63,303.00	0.00	190,000.00	1,793	11,760
April	3,659,119.00	3,404,760.00	254,359.00	0.00	50,000.00	2,515	20,215
May	5,489,927.00	5,221,500.00	268,427.00	0.00	80,000.00	3,235	27,117
June	6,514,267.00	6,208,960.00	305,307.00	0.00	80,000.00	3,453	30,111
July	6,679,094.00	5,873,270.00	805,824.00	0.00	130,000.00	3,837	34,400
August	6,921,012.00	3,933,266.00	2,987,746.00	0.00	2,950,000.00	3,302	28,358
September	4,469,280.00	4,427,990.00	41,290.00	0.00	285,000.00	2,561	19,717
October	3,646,876.00	3,559,640.00	87,236.00	0.00	250,000.00	2,543	19,520
November	3,128,018.00	3,004,670.00	123,348.00	0.00	350,000.00	2,160	16,238
December	1,993,039.00	1,930,690.00	62,349.00	0.00	175,000.00	1,821	11,953
Totals	47,650,553.00	42,188,681.00	5,461,372.00	0.00	4,610,000.00	\$30,663	241,743

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

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	1,773,902.00	1,534,720.00	0.00	0.00	30,000.00	\$5,436	26,520
February	1,697,490.00	1,475,860.00	0.00	0.00	120,000.00	\$5,228	21,680
March	4,221,149.00	4,197,390.00	0.00	0.00	90,000.00	6,493	31,280
April	9,591,860.00	9,069,370.00	0.00	0.00	93,000.00	9,067	56,480
May	15,818,804.00	15,420,720.00	0.00	0.00	60,000.00	9,816	66,280
June	15,725,780.00	15,421,100.00	0.00	0.00	80,000.00	9,772	68,760
July	16,237,944.00	15,990,940.00	0.00	0.00	75,000.00	10,934	81,520
August	15,488,948.00	15,287,780.00	0.00	0.00	70,000.00	10,467	73,680
September	12,896,567.00	12,634,720.00	0.00	0.00	95,000.00	9,253	61,160
October	8,086,245.00	8,015,987.00	0.00	0.00	50,000.00	8,381	51,120
November	7,449,445.00	7,249,101.00	0.00	0.00	60,000.00	7,556	42,760
December	3,288,729.00	3,162,214.00	0.00	0.00	80,000.00	5,930	31,800
Totals	112,276,863.00	109,459,902.00	0.00	0.00	903,000.00	\$98,332	613,040

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	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466
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- Page 11

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

MAINS		
Sizes (inches)	Material	Length (feet)
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	
NA	NA	

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
0.75	394	0%	0%
1	51	0%	0%
2	3	0%	0%
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			
NA			

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		0

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			

\* 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.

**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 FILED 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 

321
-----

  
 Method used: 

(b)
-----



<b>Water Utility Plant Description (Continued)</b>
--

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
---------------	-----------------

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	861
Method used:	(b)



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	394	0	1	424	0
February	425	0	1	2	0
March	427	0	1	2	0
April	436	0	1	2	0
May	437	0	1	2	0
June	438	0	1	2	0
July	441	0	1	2	0
August	437	0	1	2	0
September	445	0	1	2	0
October	446	0	1	2	0
November	452	0	1	2	0
December	445	0	1	2	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				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	453	0	11	6	1
February	464	0	11	6	1
March	468	0	11	6	1
April	479	0	11	6	1
May	484	0	11	6	1
June	478	0	11	6	1
July	479	0	11	6	1
August	479	0	11	6	1
September	493	0	11	6	1
October	499	0	11	6	1
November	500	0	11	6	1
December	500	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 12.

Inscription Canyon Water Company  
Annual Report  
Utility Shutoffs / Disconnects  
12/31/22

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	
February	0	0	
March	0	0	
April	0	0	
May	0	0	
June	0	0	
July	0	0	
August	0	0	
September	0	0	
October	0	0	
November	0	0	
December	0	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other (description):

**Instructions:** Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

0

Annual Report  
Utility Shutoffs / Disconnects  
12/31/22

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 relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

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

Amount of actual property taxes paid during Calendar Year 2022 was	
--	--

\$8,980
---------

If no property taxes paid, explain why.
---

n/a
-----

<b>Instructions:</b> 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, the undersigned of the  
(state name)

County of (county name):

Yavapai

Name (owner or official) title:

GILES HOWARD

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:

12/31/22

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 NOT 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

25th

DAY OF

Yavapai  
(county name)  
April 2023  
(month) and (year)

MY COMMISSION EXPIRES

3/12/25  
(date)



[Signature]  
(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

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: 12/31/22

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:

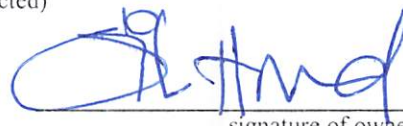
Arizona Intrastate Gross Operating Revenues Only (\$)

\$765,429

(The amount in the box above includes

\$46,704 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

25<sup>th</sup>

DAY OF

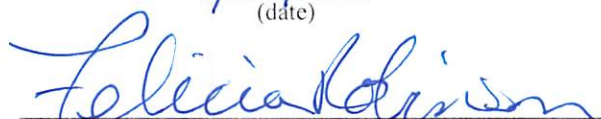
Yavapai  
(county name)

April 2023  
(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

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: 12/31/22

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 (\$)

\$765,429

(The amount in the box above includes

\$46,704 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

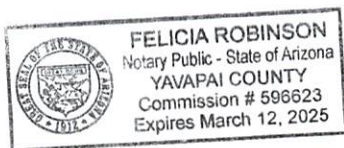
25<sup>th</sup>

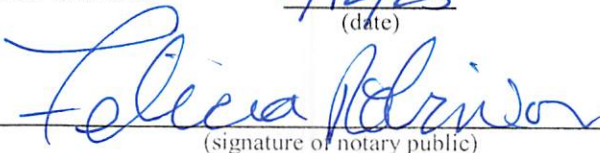
DAY OF

April 2023  
(month) and (year)

MY COMMISSION EXPIRES

3/12/25  
(date)



  
(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):

Yavapai

Name (owner or official) title:

GILES HOWARD

Company name:

Inscription Canyon Water Company

FOR THE YEAR ENDING: 12/31/22

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

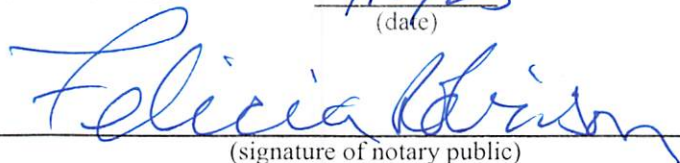
25<sup>th</sup>

DAY OF

April 2023  
(month) and (year)

MY COMMISSION EXPIRES

3/12/25  
(date)



(signature of notary public)

