

REVISED

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT

Of

Company Name: Mescal Lakes Water Systems Inc.
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-02472A
For the Year Ended: 12/31/20

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Corrected Filing
Application Date: 5/27/2021

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Mescal Lakes Water Systems Inc.
A Class Utility

For the Calendar Year Ended: 12/31/20

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:

On-Site Manager

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

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

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

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

Ownership:

Counties Served:

Important changes during the year

No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	N/A

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	N/A

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$104	\$0	\$0	\$104	\$0	\$104
302	Franchises	250	0	0	250	0	250
303	Land and Land Rights	9,063	0	0	9,063	0	9,063
304	Structures and Improvements	35,143	0	0	35,143	27,326	7,817
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	84,465	0	0	84,465	67,852	16,613
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	158,409	0	0	158,409	102,696	55,713
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	4,064	0	0	4,064	1,538	2,526
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	63,553	0	0	63,553	63,553	0
330.1	Storage Tanks	71,787	0	0	71,787	51,506	20,281
330.2	Pressure Tanks	1,852	0	0	1,852	417	1,435
331	Transmission and Distribution Mains	576,659	106,272	0	682,931	541,683	141,248
333	Services	120,553	11,966	0	132,519	102,965	29,554
334	Meters and Meter Installations	70,667	11,200	0	81,867	53,625	28,242
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	854	0	0	854	320	534
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
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
	Totals	\$1,197,423	\$129,438	\$0	\$1,326,861	\$1,013,481	\$313,380

Mescal Lakes Water Systems Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/20

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	\$104	\$0	\$0	\$104	\$104	\$0	0.00%	\$0
302	Franchises	250	0	0	250	250	0	0.00%	0
303	Land and Land Rights	9,063	0	0	9,063	9,063	0	0.00%	0
304	Structures and Improvements	35,143	0	0	35,143	7,304	27,839	5.00%	1,392
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	84,465	0	0	84,465	30,319	54,146	5.00%	2,707
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	158,409	0	0	158,409	46,775	111,634	5.00%	5,582
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	4,064	0	0	4,064	0	4,064	5.00%	203
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	63,553	0	0	63,553	63,553	0	5.00%	0
330.1	Storage Tanks	71,787	0	0	71,787	0	71,787	5.00%	3,589
330.2	Pressure Tanks	1,852	0	0	1,852	0	1,852	5.00%	93
331	Transmission and Distribution Mains	576,659	106,272	0	682,931	284,681	398,250	5.00%	17,256
333	Services	120,553	11,966	0	132,519	55,733	76,786	5.00%	3,540
334	Meters and Meter Installations	70,667	11,200	0	81,867	33,899	47,968	5.00%	2,118
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	854	0	0	854	0	854	5.00%	43
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$1,197,423	\$129,438	\$0	\$1,326,861	\$531,681	\$795,180		\$36,523

Contribution(s) in Aid of Construction (Gross)	\$486,099
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	136,347
Amortizable Contribution(s)	\$349,752
Times: Proposed Amortization Rate	5.00%
Amortization of CIAC	\$17,192

Less: Amortization of CIAC **\$17,192**

DEPRECIATION EXPENSE \$19,331

Mescal Lakes Water Systems Inc.
Annual Report
Balance Sheet Assets
12/31/20

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current and Accrued Assets			
131	Cash		\$31,540	\$19,935
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		7,467	10,273
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		33,141	35,247
	Total Current and Accrued Assets		\$72,148	\$65,455
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,197,423	\$1,326,861
103	Property Held for Future Use		0	0
105	Construction Work in Progress		1,451	450
108	Accumulated Depreciation (enter as negative)*		(976,958)	(1,013,481)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$221,916	\$313,830
	Total Assets		\$294,064	\$379,285

*Note these items feed automatically from AR3 UPIS Page 4

Mescal Lakes Water Systems Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current Liabilities			
231	Accounts Payable		\$382	\$832
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		24,530	25,826
236	Accrued Taxes		23,132	37,398
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		1,426	552
	Total Current Liabilities		\$49,470	\$64,608
	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		29,976	109,254
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		474,262	486,099
272	Less: Amortization of Contributions		(225,678)	(242,869)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$278,560	\$352,484
	Total Liabilities		\$328,030	\$417,092
	Capital Accounts			
201	Common Stock Issued		\$100	\$100
211	Other Paid-In Capital		159,638	159,638
215	Retained Earnings		(193,704)	(197,545)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$33,966)	(\$37,807)
	Total Liabilities and Capital		\$294,064	\$379,285

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

Mescal Lakes Water Systems Inc.
Annual Report
Water Comparative Income Statement
12/31/20

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2020 - 12/31/2020	Last Year 01/01/2019 - 12/31/2019
	Operating Revenue		
461	Metered Water Revenue	\$219,598	\$200,432
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	3,751	4,156
474	Other Water Revenue	0	0
	Total Revenues	\$223,349	\$204,588
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	18,464	17,088
618	Chemicals	1,056	1,038
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	8,639	1,649
620.2	Office Supplies and Expense	2,833	2,777
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	3,942	9,488
633	Contractual Services - Legal	70	12
634	Contractual Services - Management Fees	132,382	131,582
635	Contractual Services - Water Testing	3,684	2,969
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	6,169	5,203
657	Insurance - General Liability	2,910	1,027
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	1,169	0
675	Miscellaneous Expense	479	2,011
403	Depreciation Expense (From Schedule AR4)	19,331	16,206
408	Taxes Other Than Income	0	0
408.11	Property Taxes	11,274	11,622
409	Income Taxes	14,615	14,680
427.1	Customer Security Deposit Interest	546	625
	Total Operating Expenses	\$227,563	\$217,977
	Operating Income / (Loss)	(\$4,214)	(\$13,389)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	372	584
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$372	\$584
	Net Income / (Loss)	(\$3,842)	(\$12,805)

Full time equivalent employees

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

Mescal Lakes Water Systems Inc.
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/20

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

Meter Deposit Balance at Test Year End:	\$10,265
-----------------------------------------	----------

Meter Deposits Refunded During the Test Year:	\$1,026
-----------------------------------------------	---------

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

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense ⁶	Purchased Power (kWh)7
January	2,668,900.00	2,013,264.00	0.00	0.00	1,000.00	\$1,297	7,148
February	2,232,250.00	1,756,668.00	0.00	0.00	500.00	1,210	6,396
March	2,488,650.00	1,976,800.00	0.00	0.00	0.00	1,101	6,215
April	2,675,550.00	2,132,033.00	0.00	0.00	0.00	1,415	7,015
May	3,288,500.00	2,818,229.00	0.00	0.00	0.00	1,641	8,842
June	4,697,750.00	4,112,693.00	0.00	0.00	0.00	1,906	11,678
July	4,392,450.00	3,608,015.00	0.00	0.00	0.00	1,837	12,062
August	3,609,750.00	2,920,020.00	0.00	0.00	0.00	1,765	11,397
September	4,415,300.00	3,617,940.00	0.00	0.00	0.00	1,824	11,701
October	3,982,550.00	3,293,484.00	0.00	0.00	100.00	1,912	12,911
November	3,523,150.00	2,855,796.00	0.00	0.00	0.00	1,360	8,778
December	2,129,300.00	1,915,137.00	0.00	0.00	0.00	1,178	7,177
Totals	40,104,100.00	33,020,079.00	0.00	0.00	1,600.00	\$18,446	111,320

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

Flushing = 1,600 gallons.

- | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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

Name of the System:	MESCAL LAKES WATER SYSTEM		
ADEQ Public Water System Number:	AZ0402052		
ADWR PCC Number:	91-000062.0000		

MAINS

[illegible]

CUSTOMER METERS

[illegible]

SERVICE LINES

SERVICE LINES		
Material	Percent of system	Year installed
Black poly	30%	1997
Copper	70%	1997

BOOSTER PUMPS

BOOSTER PUMPS			
Horsepower	GPM		Quantity
7.5		75	1
10		100	1
15		150	2

FIRE HYDRANTS

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
20,000	Steel	1	Unknown
50,000	Steel	1	2005

PRESSURE/BLADDER TANKS

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
3,000	Steel	1	1997
5,000	Steel	1	Unknown

* 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.

TREATMENT EQUIPMENT:	Two chlorinators
STRUCTURES:	770 feet of 6 foot chain link fence, 24 x 36 foot building, two 4 x 8 chlorine sheds
OTHER:	N/A

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

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC	174
Method used:	(a)

Customer and Other Information		
Name of the System:	MESCAL LAKES WATER SYSTEM	
ADEQ Public Water System Number:	AZ0402052	
ADWR PCC Number:	91-000062.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	503	0	9	0	0
February	499	0	9	0	0
March	503	0	10	0	0
April	505	0	10	0	0
May	508	0	10	0	0
June	511	0	11	0	0
July	511	0	11	0	0
August	512	0	11	0	0
September	517	0	12	0	0
October	519	0	10	0	0
November	521	0	10	0	0
December	520	0	10	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.

Mescal Lakes Water Systems Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects	
Name of the System:	MESCAL LAKES WATER SYSTEM
ADEQ Public Water System Number:	AZ0402052
ADWR PCC Number:	91-000062.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	3	0
February	0	1	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	5	0
October	0	2	0
November	0	0	0
December	0	0	0
Total	0	11	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	
----------------	--

Amount of actual property taxes paid during Calendar Year 2019 was

\$11,448

If no property taxes paid, explain why.

N/A

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

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
Company name: Mescal Lakes Water Systems Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

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.

Bj B

signature of owner/official

623-935-1100

telephone no.

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

THIS

13th

DAY OF

Maricopa

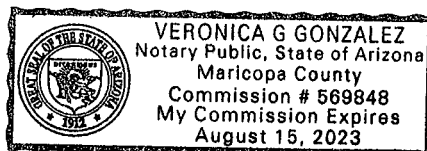
(county name)

April 2021

(month) and (year)

MY COMMISSION EXPIRES

August 15, 2023
(date)



Veronica G. Gonzalez
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name):

Maricopa

Name (owner or official) title:

Bryan Thomas, CFO

Company name:

Mescal Lakes Water Systems Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

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 (\$)

\$237,163

(The amount in the box above includes

\$13,815 in sales taxes

billed or collected)

B. T.
signature of owner/official

623-935-1100

telephone no.

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

Maricopa

(county name)

THIS

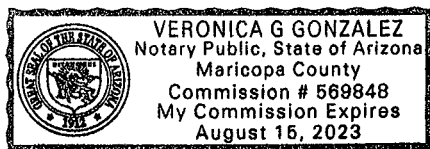
13th

DAY OF

April 2021
(month) and (year)

MY COMMISSION EXPIRES

August 15, 2023
(date)



Veronica G. Gonzalez
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name):

Maricopa

Name (owner or official) title:

Bryan Thomas, CFO

Company name:

Mescal Lakes Water Systems Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/20

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 (\$)

\$233,055

(The amount in the box above includes

\$13,576

in sales taxes
billed or collected)

Bj T

signature of owner/official

623-935-1100

telephone no.

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

Maricopa

(county name)

THIS

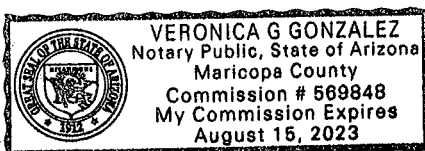
13th

DAY OF

April 2021
(month) and (year)

MY COMMISSION EXPIRES

August 15, 2023
(date)



Veronica G Gonzalez
(signature of notary public)

Gross-up Sharing Method for Income Tax Statement of Certification

Verification:

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

County of (county name):

Maricopa

Name (owner or official) title:

Bryan Thomas, CFO

Company name:

Mescal Lakes Water Systems Inc.

FOR THE YEAR ENDING: 12/31/20

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS INCURRED OR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.

B.T.

signature of owner/official

623-935-1100

telephone no.

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

Maricopa

(county name)

THIS

13th

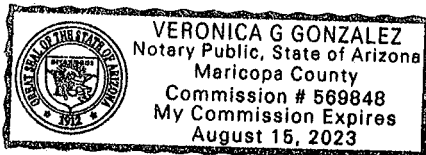
DAY OF

April 2021

(month) and (year)

MY COMMISSION EXPIRES

August 15, 2023
(date)



Veronica G. Gonzalez
(signature of notary public)