

ANNUAL REPORT

Of

Company Name: Michael's Ranch Water Users' Association
1 Michaels Ranch Dr.

Mailing Address: Sedona AZ
86336

Docket No.: W-02624A
For the Year Ended: 12/31/2021

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: 3/18/2022

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Michael's Ranch Water Users' Association
A Class ☐ E Utility

For the Calendar Year Ended: 12/31/2021

Primary Address: 1 Michael's Ranch Dr
City: Sedona State: Arizona Zip Code: 86336

Telephone Number: 928-203-2254

Date of Original Organization of Utility: 7/15/1991

Person to whom correspondence should be addressed concerning this report:

Name: Nancy Ruby
Telephone No. : 928-204-2824
Address: 270 Chrysona Lane
City: Sedona State: Arizona Zip Code: 86336
Email: nancyruby@gmail.com

On-Site Manager
Name: Wendy Ferguson
Telephone No. : 928-203-2254
Address: 207 Antelope Dr
City: Sedona State: Arizona Zip Code: 86336
Email: Wendy_cwo@q.com

Statutory Agent and Attorney
Name: William Sullivan
Telephone No. : 602-595-3800
Address: 3240 E Union Hills Dr #117
City: Phoenix State: Arizona Zip Code: 85050
Email: wps@wsullivan.attorney

On-Site Manager
Name: N/A
Telephone No. : N/A
Address: N/A
City: N/A State: N/A Zip Code: N/A
Email: N/A

NA
Name: N/A
Telephone No. : N/A
Address: N/A
City: N/A State: Arizona Zip Code: N/A
Email: N/A

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.

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	0	0	0	0	0	0
303	Land and Land Rights	5,000	0	0	5,000	0	5,000
304	Structures and Improvements	33,558	0	0	33,558	29,551	4,007
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	32,785	0	0	32,785	32,078	707
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	21,508	0	0	21,508	9,138	12,370
311	Pumping Equipment	43,289	0	0	43,289	39,157	4,132
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	8,784	1,091	1,700	8,175	(1,397)	9,572
320.2	Solution Chemical Feeders	546	0	0	546	546	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	27,000	61,715	0	88,715	25,902	62,813
330.2	Pressure Tanks	20,730	0	0	20,730	20,730	0
331	Transmission and Distribution Mains	70,397	0	0	70,397	53,268	17,129
333	Services	3,500	0	0	3,500	3,500	0
334	Meters and Meter Installations	16,310	0	0	16,310	5,287	11,023
335	Hydrants	1,400	0	0	1,400	1,260	140
336	Backflow Prevention Devices	0	0	0	0	0	0
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	\$284,807	\$62,806	\$1,700	\$345,913	\$219,020	\$126,893

Michael's Ranch Water Users' Association
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/2021

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	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	5,000	0	0	5,000	5,000	0	0.00%	0
304	Structures and Improvements	33,558	0	0	33,558	0	33,558	3.33%	1,117
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	2.22%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	0
307	Wells and Springs	32,785	0	0	32,785	32,000	785	3.33%	26
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	21,508	0	0	21,508	0	21,508	5.00%	1,075
311	Pumping Equipment	43,289	0	0	43,289	34,348	8,941	12.50%	1,118
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	8,784	1,091	1,700	8,175	0	8,175	3.33%	282
320.2	Solution Chemical Feeders	546	0	0	546	546	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	27,000	61,715	0	88,715	0	88,715	2.22%	1,284
330.2	Pressure Tanks	20,730	0	0	20,730	20,730	0	5.00%	0
331	Transmission and Distribution Mains	70,397	0	0	70,397	0	70,397	2.00%	1,408
333	Services	3,500	0	0	3,500	3,500	0	3.33%	0
334	Meters and Meter Installations	16,310	0	0	16,310	3,581	12,729	8.33%	1,060
335	Hydrants	1,400	0	0	1,400	0	1,400	2.00%	28
336	Backflow Prevention Devices	0	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	6.67%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	6.67%	0
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	0	0	0	0	0	0	5.00%	0
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	10.00%	0
	Subtotal	\$284,807	\$62,806	\$1,700	\$345,913	\$99,705	\$246,208		\$7,400

Contribution(s) in Aid of Construction (Gross)	\$28,099
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$28,099
Times: Proposed Amortization Rate	3.01%
Amortization of CIAC	\$845

Less: Amortization of CIAC \$845

DEPRECIATION EXPENSE **\$6,555**

Michael's Ranch Water Users' Association
Annual Report
Balance Sheet Assets
12/31/2021

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets			
131	Cash		\$13,623	\$32,391
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		2	1,232
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		9,258	8,714
	Total Current and Accrued Assets		\$22,883	\$42,337
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$284,807	\$345,913
103	Property Held for Future Use		0	0
105	Construction Work in Progress		22,835	0
108	Accumulated Depreciation (enter as negative)*		(213,320)	(219,020)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$94,322	\$126,893
	Total Assets		\$117,205	\$169,230

*Note these items feed automatically from AR3 UPIS Page 4

Michael's Ranch Water Users' Association
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		\$0	\$725
232	Notes Payable (Current Portion)		3,800	3,785
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		2	2
236	Accrued Taxes		231	241
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$4,033	\$4,753
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$4,793	\$54,680
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		28,099	28,099
272	Less: Amortization of Contributions		(2,972)	(3,817)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$25,127	\$24,282
	Total Liabilities		\$33,953	\$83,715
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		83,252	85,515
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$83,252	\$85,515
	Total Liabilities and Capital		\$117,205	\$169,230

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

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2021 - 12/31/2021	Last Year 01/01/2020 - 12/31/2020
	Operating Revenue		
461	Metered Water Revenue	\$36,489	\$33,107
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	6,733	3,747
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	605	411
	Total Revenues	\$43,827	\$37,265
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	484	0
615	Purchased Power	4,596	3,614
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	6,935	1,214
620.2	Office Supplies and Expense	289	59
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	5,930	5,725
633	Contractual Services - Legal	761	2,458
634	Contractual Services - Management Fees	4,576	4,560
635	Contractual Services - Water Testing	5,666	4,538
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	65	0
657	Insurance - General Liability	2,622	1,913
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	131	755
403	Depreciation Expense (From Schedule AR4)	6,555	5,033
408	Taxes Other Than Income	0	5
408.11	Property Taxes	906	953
409	Income Taxes	594	7,675
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$40,110	\$38,502
	Operating Income / (Loss)	\$3,717	(\$1,237)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$5	\$3
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(1,459)	(90)
	Total Other Income / (Expense)	(\$1,454)	(\$87)
	Net Income / (Loss)	\$2,263	(\$1,324)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager				0.0
Engineering Staff				0.0
System Operator(s)				0.0
Meter reader				0.0
Customer Service				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

Michael's Ranch Water Users' Association
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/2021

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/24/2020	NONE	NONE	NONE
Source of Loan	WIFA	NONE	NONE	NONE
ACC Decision No.	77279	NONE	NONE	NONE
Reason for Loan	Improvements	NONE	NONE	NONE
Dollar Amt. Issued	\$65,220	NONE	NONE	NONE
Amount Outstanding	\$58,465	NONE	NONE	NONE
Date of Maturity	2/1/2035	NONE	NONE	NONE
Interest Rate	2.97%	NONE	NONE	NONE
Current Year Interest	\$1,459	NONE	NONE	NONE
Current Year Principal	\$5,023	NONE	NONE	NONE

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Well and Water Usage

[illegible]

Name of system water delivered to:	N/A
ADWR PCC Number:	
Source of water delivered to another system	N/A
Name of system water received from:	N/A
ADWR PCC Number:	
Source of water received	N/A
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	171599	134780				272	1974
February	139237	147810				252	1815
March	244182	233180				284	2034
April	243480	239480				245	1506
May	303163	292680				327	2093
June	455806	488160				348	2257
July	290725	284870				424	2756
August	317552	305100				407	2672
September	263178	254950				486	3229
October	212242	198560				423	3100
November	241167	227660				397	3136
December	155782	136700				484	3516
Totals	0.00	0.00	0.00	0.00	0.00	\$0	0
	3043063	2903930				4349	30088

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.	3043,063
2 Water sold - Total gallons from customer meters, and other sales such as construction water.	2,903,930
3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems.	0
4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.	0
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.	3,043,063
6 Enter the total purchased power costs for the power meters associated with this system.	4349
7 Enter the total purchased kWh used by the power meters associated with this system.	30088

Water Utility Plant Description

Name of the System:	0 Michael's Ranch
ADEQ Public Water System Number:	AZ0413-109
ADWR PCC Number:	91-00061.0000

[illegible][illegible]

SERVICE LINES		
Material	Percent of system	Year installed
PVC	100% 85%	1991
Copper	15%	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	50	2
10	100	1

FIRE HYDRANTS	
Type	Quantity
Standard *	3
Other	1

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
75,000	steel	1	1991

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
2,000	steel	1	1991

* 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:	Chlorinator pump 26 household ro units - pau.
STRUCTURES:	Building for pump station Enclosed yard with gated and locked fence
OTHER:	1.5 hp compressor 360 rpm 60 kw generator 500 gal. propane tank- rental

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
 Method used:

305.998
a

Customer and Other Information

Name of the System: 0 Michael's Ranch Water System
ADEQ Public Water System Number: 13-109
ADWR PCC Number: 91-000661.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	26			1	
February	26			1	
March	26			1	
April	26			1	
May	26			1	
June	26			1	
July	26			1	
August	26			1	
September	26			1	
October	26			1	
November	26			1	
December	26			1	

If the system has fire hydrants, what is the fire flow requirements? 7500 GPM for 2 hrs.

Does the system have chlorination treatment? Yes

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement? no
If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)? no
If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines? 43

What is the future system connection capacity (in ERCs *) upon service area buildout? 43

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

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

Michael's Ranch Water Users' Association
Annual Report
Utility Shutoffs / Disconnects
12/31/2021

Utility Shutoffs / Disconnects	
Name of the System:	0 Michael's Ranch Water System
ADEQ Public Water System Number:	13-109
ADWR PCC Number:	91-000661.0000

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

Other (description):

encl. is notice to customer

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	
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Amount of actual property taxes paid during Calendar Year 2021 was
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\$906

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.

PARCEL NUMBER	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE		SECONDARY TAX RATE PER \$100 ASSESSED VALUE		SPECIAL DISTRICT \$ PER ACRE	2021 TAX SUMMARY	
917-20-97000	0970	5.6363		3.8842			PRIMARY PROPERTY TAX	545.82
							LESS STATE AID TO EDUCATION	0.00
ASSESSMENT	VALUE IN DOLLARS	RATIO	EXEMPTIONS	NET ASSESSED	TAX		NET PRIMARY PROPERTY TAX	545.82
LIMITED PRIMARY TOTALS	53,800	0.1800	0.00	9,684	545.82		SECONDARY PROPERTY TAX	359.92
LIMITED SECONDARY TOTALS	53,800	0.1800	0.00	9,684	359.92		SPECIAL DISTRICT TAX	0.00
							TOTAL TAX DUE FOR 2021	905.74

LEGAL DESCRIPTION	TAX AUTHORITY		LEVY	PURPOSE	TAX RATE	2020 TAX	2021 TAX	INCREASE / DECREASE
	2000	YAVAPAI COUNTY	PRM		1.8570	186.80	179.84	-6.96
	2001	SCHOOL EQUALIZATION	PRM		0.4263	42.94	41.28	-1.66
REDUCTION RATE	7009	UD #9 SEDONA OAK CREEK	PRM		0.8177	89.76	79.20	-10.56
0.8482	7993	MIN SCH TAX DIST #9	PRM		0.9796	91.64	94.86	3.22
Chip Davis	8150	YAVAPAI COMMUNITY COLLEGE	PRM		1.5557	156.50	150.64	-5.86
Yavapai County Treasurer 1015 Fair Street Prescott, AZ 86305	11208	SEDONA F.D.	SEC		2.4888	240.56	241.02	0.46
	11900	FIRE DIST. ASSIST. FUND	SEC		0.0890	9.10	8.62	-0.48
	14900	YAVAPAI CTY. LIBRARY DISTRICT	SEC		0.1521	15.30	14.72	-0.58
	15001	YAVAPAI FLOOD CONTROL DISTRICT	SEC		0.1916	2.46	2.32	-0.14
	30000	VALLEY ACADEMY EDUCATION DIST (VIT)	SEC		0.0500	4.84	4.84	0.00
	57009	SECONDARY UD #9	SEC		0.8996	105.54	87.12	-18.42
	58150	SECONDARY YAVAPAI COMMUNITY CO	SEC		0.0131	7.38	1.28	-6.10
		TOTALS				952.82	905.74	-47.08

917-20-97000 THIS IS A CALENDAR YEAR TAX NOTICE

MICHAELS RANCH WATER USERS ASSOCIATION
NANCY RUBY
1 MICHAEL'S RANCH DRIVE
1 MICHAELS RANCH DR
SEDONA AZ 86336

THERE WILL BE A \$20.00 CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

MAKE CHECKS PAYABLE TO:
Yavapai County Treasurer
1015 Fair Street
Prescott, AZ 86305

PLEASE INCLUDE YOUR
PARCEL NUMBER ON YOUR CHECK.

PAYMENT INFORMATION

Nov. 01, 2021 First half 2021 taxes due,
delinquent after 5:00 PM.

Dec. 31, 2021 Final day to pay 2021 current full
year taxes without interest.

May. 02, 2022 Second half 2021 taxes due,
delinquent after 5:00 PM.

2021 TAX PAYMENT COUPON

DETACH AND RETURN WITH PAYMENT

PLEASE DO NOT STAPLE OR TAPE CHECK TO PAYMENT COUPON

MICHAELS RANCH WATER USERS ASSOCIATION

917-20-97000

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. November 01, 2021 (ARS 42-18052 and ARS 42-18053).

Delinquency Date Second Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. May 02, 2022 (ARS 42-18052 and ARS 42-18053).

Remit full year payment for billed amounts by December 31, 2021 and no interest will be charged for current year. Mail full year payment with 1st half coupon, or submit through online bill pay.

**POST DATED CHECKS WILL BE PROCESSED UPON RECEIPT.
PAYMENT IN U.S. FUNDS ONLY.**

PRIOR DELINQUENT TAXES (AS OF 2022-03-21)		
TO PAY 1ST HALF ONLY (DUE Nov. 01, 2021)	PAY >	0.00
TO PAY 2ND HALF ONLY (DUE May. 02, 2022)	PAY >	0.00
TO PAY FULL YEAR TAX	PAY >	0.00
TO PAY TOTAL TAXES DUE	PAY >	0.00

Chip Davis
Yavapai County Treasurer
1015 Fair Street
Prescott, AZ 86305

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: Nancy Ruby, Water Liaison
Company name: Michael's Ranch Water Users' Association

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

FOR THE YEAR ENDING: 12/31/2021

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.

Nancy Ruby

signature of owner/official

928-204-2824

telephone no.

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

THIS

28th

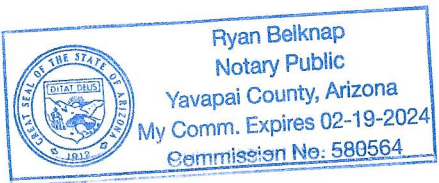
DAY OF

Yavapai
(county name)

March 2022
(month) and (year)

MY COMMISSION EXPIRES

02-19-2024
(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: Nancy Ruby, Water Liaison
Company name: Michael's Ranch Water Users' Association

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

FOR THE YEAR ENDING: 12/31/2021

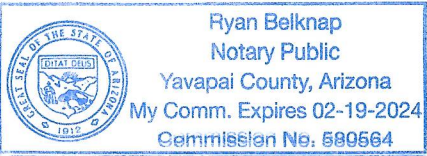
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND 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 (\$)
\$46,154
(The amount in the box above includes
\$2,327 in sales taxes
billed or collected)

Nancy Ruby
signature of owner/official
928-204-2824
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Yavapai
THIS 28th DAY OF March 2022
(month) and (year)



MY COMMISSION EXPIRES 02-19-2024
(date)
Ryan Belknap
(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:

Nancy Ruby, Water Liaison

Company name:

Michael's Ranch Water Users' Association

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

FOR THE YEAR ENDING: 12/31/2021

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 (\$)

\$46,154

(The amount in the box above includes

\$2,327

in sales taxes
billed or collected)

Nancy Ruby
signature of owner/official

928-204-2824

telephone no.

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

Yavapai

(county name)

THIS

28th

DAY OF

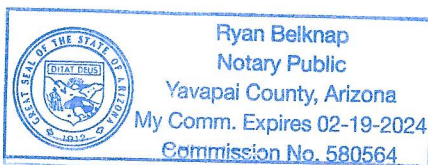
March 2022

(month) and (year)

MY COMMISSION EXPIRES

02-19-2024

(date)



Ryan Belknap
(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:

Nancy Ruby, Water Liaison

Company name:

Michael's Ranch Water Users' Association

FOR THE YEAR ENDING: 12/31/2021

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.

Nancy Ruby

signature of owner/official

928-204-2824

telephone no.

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

Yavapai

(county name)

THIS

28th

DAY OF

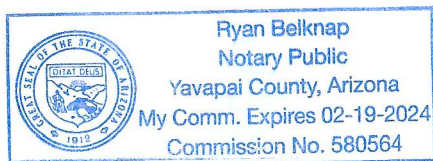
March 2022

(month) and (year)

MY COMMISSION EXPIRES

02-19-2024

(date)



[Signature]

(signature of notary public)



Michael's Ranch Water Users' Association

1 Michael's Ranch Drive
Sedona, Arizona 86336

* NOTICE OF LOCKING OF WATER SERVICE*

August 10, 2021
Christy Nelson Harper Lucatuorto
390 Chrysona Lane
Sedona, AZ 86336

Dear Christy Nelson Harper Lucatuorto,

Our records indicate you are the owner of the property at 390 Chrysona Lane, Sedona Arizona 86336. This letter provides written notice that the property has been unoccupied since April 16, 2021 and water service is scheduled to be locked on August 20, 2021 ("Termination Date") for failure to pay a delinquent bill pursuant to Arizona Corporation Commission rule R14-2-410C.1.b. Our records reflect you have a delinquent balance due and owing of \$141.73 and your tenant has a balance due and owing of \$473.90, for a total due and owing on the account of \$615.63.

We are a small non-profit water users' association, of which you are a member. An unpaid balance of \$615.63 is significant to us. We ask that you pay the full past due balance prior to the Termination Date, although we recognize you are only required to pay the \$141.73. To secure water service going forward, a responsible party must sign a new service application and pay any applicable deposits and fees. Otherwise, the account will remain locked.

Check payment shall be made to Michael's Ranch WUA and shall be mailed to
Sterling Accounting & Tax, LLC
Attn: MR WUA
830 S. Main Street, Ste. A1
Cottonwood AZ 86326

You may contact MR WUA at 1 Michael's Ranch Drive, Sedona AZ 86 or (928) 204-2824 for information regarding any deferred payment or other procedures which MR WUA may offer or to work out some other mutually agreeable solution to avoid the locking of your water service.

You may dispute the reason for locking your water service by contacting MR WUA at 1 Michael's Ranch Drive, Sedona AZ 86336, or calling our Water Liaison Nancy Ruby at (928) 204-2824 advising MR WUA of the dispute and making arrangements to discuss the cause for termination with Ms. Ruby in advance of the scheduled date of termination.

No further notice will be provided prior to the service being locked.

Thank you for your prompt attention,

Ken Merson
President
Michael's Ranch WUA Board of Director

michaelsranchwater@gmail.com
928-204-2824 water liaison-Nancy Ruby