

ANNUAL REPORT

Of

Company Name:

Quail Creek Water Company 9532 E. Riggs Rd.
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Mailing Address: Sun Lakes AZ
85248

RECEIVED BY EMAIL
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Docket No.: W-02514A
For the Year Ended:

12/31/21

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:

5/11/2022

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Quail Creek Water Company
A Class ☐ Utility

For the Calendar Year Ended: 12/31/21

Primary Address:

9532 E Riggs Road
City: Sun Lakes State: Arizona Zip Code: 85248

Telephone Number:

480-895-9200

Date of Original Organization of Utility:

1989

Person to whom correspondence should be addressed concerning this report:

Name:

Brian Smith

Telephone No. :

480-895-9200

Address:

9532 E Riggs Road
City: Sun Lakes State: Arizona Zip Code: 85248

Email:

Brian.Smith@Robson.com
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NA
Name:

Ed MacMeans

Telephone No. :

520-825-3423

Address:

40004 S Ridgeview Blvd
City: Tucson State: Arizona Zip Code: 85248

Email:

Ed.MacMeans@Robson.com
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NA
Name:

NA

Telephone No. :

NA

Address:

NA
City: NA State: NA Zip Code: NA

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Name:

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Telephone No. :

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Address:

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City: NA State: NA Zip Code: NA

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Name:

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Telephone No. :

NA

Address:

NA
City: NA State: NA Zip Code: NA

Email:

NA

Ownership:

"C" Corporation

Counties Served:

Pima

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Quail Creek Water Company

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.
	n/a

Yes	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.
	Deficiency violation for late reporting to ADEQ - lead and copper notifications. Reports were submitted, no outstanding requirements. Violation was issued for missed deadline.

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	\$37,295			\$37,295		\$37,295
302	Franchises	0	6,948	0	6,948	0	6,948
303	Land and Land Rights	92,895	0	0	92,895	0	92,895
304	Structures and Improvements	86,638	5,004	0	91,642	34,740	56,902
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	836,490	0	0	836,490	496,458	340,032
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	41,094	17,032	0	58,126	27,266	30,860
311	Pumping Equipment	1,259,633	18,516	8,085	1,270,064	1,259,433	10,631
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	865,231	0	0	865,231	601,659	263,572
330.2	Pressure Tanks	34,018	3,646	0	37,664	25,070	12,593
331	Transmission and Distribution Mains	4,164,300	246,289	0	4,410,589	1,974,390	2,436,198
333	Services	1,456,253	110,756	0	1,567,010	568,273	998,736
334	Meters and Meter Installations	261,723	253,066	0	514,789	147,772	367,017
335	Hydrants	742,424	54,692	0	797,117	269,114	528,003
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	2,071	0	0	2,071	1,422	649
340.1	Computer & Software	9,085	21,720	0	30,805	5,677	25,128
341	Transportation Equipment	52,385	0	0	52,385	43,988	8,398
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	9,960	1,970	0	11,930	3,034	8,897
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	12,700	0	12,700	318	12,383
346	Communication Equipment	85,066	0	0	85,066	42,442	42,624
347	Miscellaneous Equipment	1,955	0	0	1,955	1,180	775
348	Other Tangible Plant	1,056	0	0	1,056	1,056	0
	Totals	\$10,039,573	\$752,340	\$8,085	\$10,783,827	\$5,503,292	\$5,280,535

Quail Creek 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	\$37,295	\$0	\$0	\$37,295	\$0	\$37,295	0.00%	\$0
302	Franchises	0	6,948	0	6,948	0	6,948	0.00%	0
303	Land and Land Rights	92,895	0	0	92,895	0	92,895	0.00%	0
304	Structures and Improvements	86,638	5,004	0	91,642	0	91,642	3.33%	2,968
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	836,490	0	0	836,490	0	836,490	3.33%	27,855
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	41,094	17,032	0	58,126	0	58,126	5.00%	2,481
311	Pumping Equipment	1,259,633	18,516	8,085	1,270,064	0	1,270,064	12.50%	158,106
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	865,231	0	0	865,231	0	865,231	2.22%	19,208
330.2	Pressure Tanks	34,018	3,646	0	37,664	0	37,664	5.00%	1,792
331	Transmission and Distribution Mains	4,164,300	246,289	0	4,410,589	0	4,410,589	2.00%	85,749
333	Services	1,456,253	110,756	0	1,567,010	0	1,567,010	3.33%	50,032
334	Meters and Meter Installations	261,723	253,066	0	514,789	0	514,789	8.33%	33,107
335	Hydrants	742,424	54,692	0	797,117	0	797,117	2.00%	15,395
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	2,071	0	0	2,071	0	2,071	6.67%	138
340.1	Computer & Software	9,085	21,720	0	30,805	0	30,805	20.00%	3,989
341	Transportation Equipment	52,385	0	0	52,385	0	52,385	20.00%	10,477
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	9,960	1,970	0	11,930	0	11,930	5.00%	547
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	0	12,700	0	12,700	0	12,700	5.00%	318
346	Communication Equipment	85,066	0	0	85,066	0	85,066	10.00%	8,507
347	Miscellaneous Equipment	1,955	0	0	1,955	0	1,955	10.00%	196
348	Other Tangible Plant	1,056	0	0	1,056	1,056	0	10.00%	0
	Subtotal	\$10,039,573	\$752,340	\$8,085	\$10,783,827	\$1,056	\$10,782,772		\$420,864

Contribution(s) in Aid of Construction (Gross)	\$820,205
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$820,205
Times: Proposed Amortization Rate	3.95%
Amortization of CIAC	\$32,426

Less: Amortization of CIAC
 \$32,426

DEPRECIATION EXPENSE
 \$388,438

Quail Creek 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.	Current and Accrued Assets			
131	Cash		\$1,384,409	\$2,312,628
132	Special Deposits		0	0
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		139,139	151,844
142	Other Receivables		0	0
145	Accounts Receivable – Related party		1,461	2,278
146	Notes Receivable from Associated Companies		2,920,242	2,891,791
151	Plant Material and Supplies		0	0
162	Prepayments		3,545	1,529
174	Miscellaneous Current and Accrued Assets		0	0
181	Unamortized Debt Discounts		0	0
	Total Current and Accrued Assets		\$4,448,795	\$5,360,069
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$10,039,573	\$10,783,827
103	Property Held for Future Use		258,221	258,221
105	Construction Work in Progress		1,576	664
108	Accumulated Depreciation (enter as negative)*		(5,090,514)	(5,503,292)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$5,208,857	\$5,539,421
	Total Assets		\$9,657,652	\$10,899,490

*Note these items feed automatically from AR3 UPIS Page 4

Quail Creek 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		\$510	\$2,325
232	Notes Payable (Current Portion)		0	0
233	Accounts Payable - Related Party		0	515,342
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		343,203	396,228
236	Accrued Taxes		156,989	165,978
237	Accrued Interest		89	0
242	Miscellaneous Current and Accrued Liabilities		6,431	10,916
	Total Current Liabilities		\$507,223	\$1,090,788
	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		0	0
253.1	Excess Accumulated Deferred Income Taxes		363,935	344,454
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		820,205	820,205
272	Less: Amortization of Contributions		(514,065)	(546,491)
281	Accumulated Deferred Income Tax		759,320	798,882
	Total Deferred Credits		\$1,429,395	\$1,417,051
	Total Liabilities		\$1,936,618	\$2,507,839
	Capital Accounts			
201	Common Stock Issued		\$3,500	\$3,500
211	Other Paid-In Capital		3,195,896	3,195,896
215	Retained Earnings		4,521,638	5,192,255
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$7,721,034	\$8,391,651
	Total Liabilities and Capital		\$9,657,652	\$10,899,490

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

Quail Creek 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
	Operating Revenue		
461	Metered Water Revenue	\$1,608,293	\$1,488,513
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	25,305	22,247
	Total Revenues	\$1,633,597	\$1,510,760
	Operating Expenses		
601	Salaries and Wages	\$141,490	\$126,730
603	Salaries and Wages - Officers	9,733	9,763
604	Employee Pensions and Benefits	19,687	21,665
610	Purchased Water	0	0
615	Purchased Power	113,813	104,362
618	Chemicals	12,201	10,152
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	35,709	26,796
620.2	Office Supplies and Expense	37,224	30,600
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	975	1,600
633	Contractual Services - Legal	1,118	810
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	3,472	9,052
636	Contractual Services - Other	20,049	20,004
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	599	392
650	Transportation Expenses	15,906	9,175
656	Insurance - Vehicles	4,077	4,088
657	Insurance - General Liability	17,735	12,188
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	23,997
670	Bad Debt Expense	261	312
675	Miscellaneous Expense	3,652	4,086
403	Depreciation Expense (From Schedule AR4)	388,438	366,540
407.5	Amortization – EADIT	(19,480)	(19,480)
408	Taxes Other Than Income	4,954	5,438
408.11	Property Taxes	62,041	61,575
408.12	Payroll Taxes	8,825	7,414
409	Income Taxes	161,991	188,341
427.1	Customer Security Deposit Interest	0	0
434	Rate Case Adjustments	0	0
	Total Operating Expenses	\$1,044,469	\$1,025,600
	Operating Income / (Loss)	\$589,128	\$485,160
	Other Income / (Expense)		
419	Interest and Dividend Income	\$80,410	\$89,333
421	Non-Utility Income	1,079	991
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$81,489	\$90,324
	Net Income / (Loss)	\$670,617	\$575,484

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.1	0.0	0.1
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	1.4	0.0	1.4
Meter reader	0.0	0.1	0.0	0.1
Customer Service	0.0	0.3	0.0	0.3
Accounting	0.0	0.0	0.3	0.3
Business Office	0.0	0.0	0.0	0.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.4	0.0	0.4
Other	0.0	0.0	0.0	0.0
Total	0.0	2.4	0.3	2.7

Quail Creek 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:	\$396,228
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Meter Deposits Refunded During the Test Year:	\$49,041
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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:	NA	
ADWR PCC Number:		#N/A
Source of water delivered to another system	NA	

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

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense ⁶	Purchased Power (kWh)
January	20,637,000.00	16,252,316.00	0.00	0.00	0.00	\$8,079	55,066
February	11,532,000.00	14,048,539.00	0.00	0.00	0.00	7,423	49,244
March	20,061,000.00	15,512,173.00	0.00	0.00	450,000.00	7,452	49,512
April	19,565,000.00	17,368,263.00	0.00	0.00	28,000.00	8,062	54,834
May	20,900,000.00	18,747,276.00	0.00	0.00	0.00	9,202	62,728
June	26,213,000.00	26,038,675.00	0.00	0.00	0.00	12,121	74,918
July	25,121,000.00	22,259,693.00	0.00	0.00	0.00	13,565	85,160
August	19,970,000.00	15,320,305.00	0.00	0.00	0.00	9,803	57,503
September	15,408,000.00	16,451,364.00	0.00	0.00	0.00	9,687	55,714
October	21,836,000.00	17,242,870.00	0.00	0.00	0.00	10,304	62,000
November	15,957,000.00	17,367,250.00	0.00	0.00	0.00	8,585	57,412
December	17,308,000.00	16,934,424.00	0.00	0.00	0.00	9,529	65,430
Totals	234,508,000.00	213,543,148.00	0.00	0.00	478,000.00	\$113,813	729,521

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

NA

- | |
|---|
| 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:		QUAIL CREEK WATER COMPANY INC.	
ADEQ Public Water System Number:		AZ0410262	
ADWR PCC Number:		91-000482.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC	360
6.00	PVC	55,993
6.00	ACP, DIP, PVC	441
8.00	PVC	81,597
8.00	ACP, DIP, PVC	12,488
12.00	PVC	22,114
16.00	PVC	500
21.00	PVC	4,225
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA

SERVICE LINES		
Material	Percent of system	Year installed
Copper	92%	1989
Other	8%	1998
NA	NA	NA
NA	NA	NA
NA	NA	NA

BOOSTER PUMPS		
Horsepower	GPM	Quantity
20	575	3
40	1,000	1
NA	NA	NA
NA	NA	NA

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
750,000	Steel	1	2004
750,000	Steel	1	1989
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
5/8 X 3/4	2,795	29%	unknown
0.75	27	33%	unknown
1	297	13%	unknown
1.5	12	67%	unknown
2	1	85%	unknown
3	8	63%	unknown
4	1	100%	unknown
6	2	100%	unknown
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	NA	NA
NA	NA	NA	NA

FIRE HYDRANTS	
Type	Quantity
Standard *	302
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
18,000	Steel	1	2004
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

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

TREATMENT EQUIPMENT:	Chlorine system
STRUCTURES:	Fences, sound enclosure, storage container, chlorine building, shed
OTHER:	Generators, golf carts, vehicles, trailers, Scada System, meter readers, pumps, misc tools

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	159
Method used:	(a)

Customer and Other Information		
Name of the System:	QUAIL CREEK WATER COMPANY INC.	
ADEQ Public Water System Number:	AZ0410262	
ADWR PCC Number:	91-000482.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	2,803	0	18	46	2
February	2,822	0	18	46	2
March	2,836	0	18	47	2
April	2,853	0	18	47	6
May	2,868	0	18	47	6
June	2,886	0	18	47	5
July	2,891	0	18	47	7
August	2,917	0	18	47	6
September	2,932	0	18	47	6
October	2,962	0	18	47	5
November	2,976	0	17	47	6
December	2,999	0	17	45	8

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.

Expansion to the north will include new well, 90' diameter tank, booster pumps and hydro pneumatic tank. Anticipated completion 2026

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

Quail Creek Water Company
Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of the System:	QUAIL CREEK WATER COMPANY INC.
ADEQ Public Water System Number:	AZ0410262
ADWR PCC Number:	91-000482.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	2	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	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	3	0

Other (description):

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.

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

Amount of actual property taxes paid during Calendar Year 2021 was
--

\$61,808

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: Brian Smith - Vice President
Company name: Quail Creek Water Company

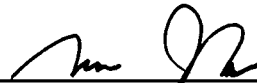
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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 of owner/official

480-895-9200

telephone no.

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

THIS

25th

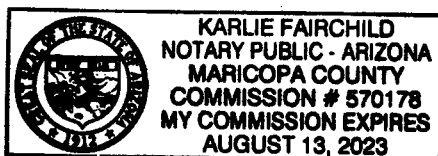
DAY OF

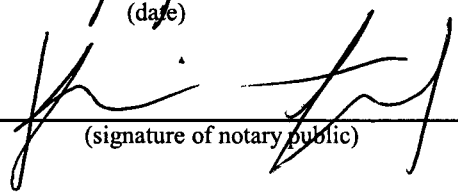
Maricopa
(county name)

April 2022
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(date)




(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:

Brian Smith - Vice President

Company name:

Quail Creek 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 (\$)

\$1,767,000

(The amount in the box above includes

\$133,402

in sales taxes
billed or collected)

[Signature]
signature of owner/official

480-895-9200

telephone no.

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

THIS

25th

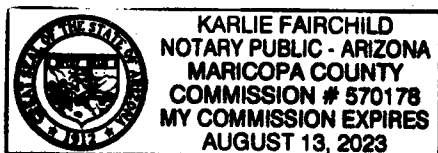
DAY OF

Maricopa
(county name)

April 2022
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: Brian Smith - Vice President
Company name: Quail Creek 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 (\$)

\$1,419,785
(The amount in the box above includes
\$112,625 in sales taxes
billed or collected)

[Signature]
signature of owner/official

480-895-9200
telephone no.

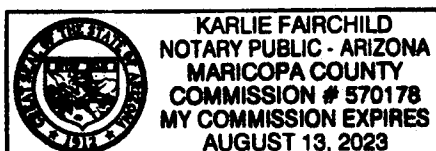
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

Maricopa
(county name)

THIS 26th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(date)



[Signature]
(signature of notary public)

Quail Creek 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):

Maricopa

Name (owner or official) title:

Brian Smith - Vice President

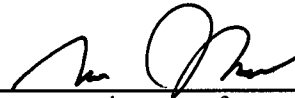
Company name:

Quail Creek 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

480-895-9200

telephone no.

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

Maricopa
(county name)

THIS

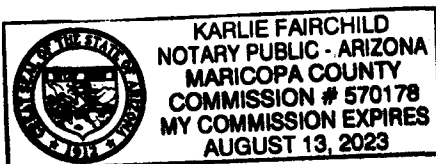
26th

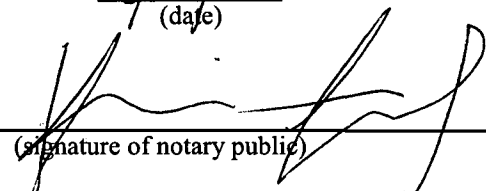
DAY OF

April 2022
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(date)




(signature of notary public)