

ANNUAL REPORT

Of

Company Name: Quail Creek Water Company
9532 E. Riggs Rd.

Mailing Address: Sun Lakes AZ
85248

Docket No.: W-02514A
For the Year Ended: 12/31/20

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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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: 4/22/2021

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

For the Calendar Year Ended: 12/31/20

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

On-Site Manager
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

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

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

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

Ownership: "C" Corporation

Counties Served: Pima

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Quail Creek Water Company

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	\$37,295	\$0	\$0	\$37,295	\$0	\$37,295
302	Franchises	0	\$0	\$0	0	0	0
303	Land and Land Rights	92,895	\$0	\$0	92,895	0	92,895
304	Structures and Improvements	86,637	\$0	\$0	86,637	31,771	54,866
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	836,489	\$0	\$0	836,489	468,603	367,886
308	Infiltration Galleries	0	\$0	\$0	0	0	0
309	Supply Mains	0	\$0	\$0	0	0	0
310	Power Generation Equipment	41,094	\$0	\$0	41,094	24,786	16,308
311	Pumping Equipment	1,256,471	3,162	\$0	1,259,633	1,109,412	150,221
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	582,451	282,780
330.2	Pressure Tanks	32,236	1,782	\$0	34,018	23,278	10,739
331	Transmission and Distribution Mains	4,164,300	\$0	\$0	4,164,300	1,888,642	2,275,658
333	Services	1,426,895	10,990	\$0	1,437,885	518,242	919,643
334	Meters and Meter Installations	242,980	38,532	1,420	280,092	114,666	165,426
335	Hydrants	742,425	\$0	\$0	742,425	253,718	488,707
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	1,284	787
340.1	Computer & Software	3,898	5,187	\$0	9,085	1,688	7,397
341	Transportation Equipment	52,385	\$0	\$0	52,385	33,511	18,875
342	Stores Equipment	0	\$0	\$0	0	0	0
343	Tools, Shop and Garage Equipment	8,842	1,117	\$0	9,959	2,486	7,473
344	Laboratory Equipment	0	\$0	\$0	0	0	0
345	Power Operated Equipment	0	\$0	\$0	0	0	0
346	Communication Equipment	85,067	\$0	\$0	85,067	33,936	51,131
347	Miscellaneous Equipment	1,955	\$0	\$0	1,955	985	970
348	Other Tangible Plant	1,056	\$0	\$0	1,056	1,056	1
	Totals	\$9,980,222	\$60,770	\$1,420	\$10,039,572	\$5,090,514	\$4,949,059

Quail Creek Water Company
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	\$37,295	\$0	\$0	\$37,295	\$37,295	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	92,895	0	0	92,895	92,895	0	0.00%	0
304	Structures and Improvements	86,637	0	0	86,637	0	86,637	3.33%	2,885
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	836,489	0	0	836,489	0	836,489	3.33%	27,855
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	41,094	0	0	41,094	0	41,094	5.00%	2,055
311	Pumping Equipment	1,256,471	3,162	0	1,259,633	0	1,259,633	12.50%	157,257
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	32,236	1,782	0	34,018	0	34,018	5.00%	1,656
331	Transmission and Distribution Mains	4,164,300	0	0	4,164,300	0	4,164,300	2.00%	83,286
333	Services	1,426,895	10,990	0	1,437,885	0	1,437,885	3.33%	47,699
334	Meters and Meter Installations	242,980	38,532	1,420	280,092	0	280,092	8.33%	21,786
335	Hydrants	742,425	0	0	742,425	0	742,425	2.00%	14,849
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	2,071	0	0	2,071	0	2,071	6.67%	138
340.1	Computer & Software	3,898	5,187	0	9,085	0	9,085	20.00%	1,298
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	0.00%	0
343	Tools, Shop and Garage Equipment	8,842	1,117	0	9,959	0	9,959	5.00%	470
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	85,067	0	0	85,067	0	85,067	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	1	10.00%	0
	Subtotal	\$9,980,222	\$60,770	\$1,420	\$10,039,572	\$131,246	\$9,908,327		\$399,621

Contribution(s) in Aid of Construction (Gross)	\$820,205
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$820,205</u>
Times: Proposed Amortization Rate	4.0332%
Amortization of CIAC	\$33,080

Less: Amortization of CIAC **\$33,080**

DEPRECIATION EXPENSE **\$366,540**

Quail Creek Water Company
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		\$543,557	\$1,384,409
132	Special Deposits		0	0
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		102,999	139,139
142	Other Receivables		0	0
145	Accounts Receivable – Related party		1,395	1,461
146	Notes Receivable from Associated Companies		2,939,065	2,920,242
151	Plant Material and Supplies		0	0
162	Prepayments		82,435	3,545
174	Miscellaneous Current and Accrued Assets		23,997	0
181	Unamortized Debt Discounts		0	0
	Total Current and Accrued Assets		\$3,693,448	\$4,448,795
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$9,980,222	\$10,039,572
103	Property Held for Future Use		258,221	258,221
105	Construction Work in Progress		0	1,576
108	Accumulated Depreciation (enter as negative)*		(4,690,968)	(5,090,514)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$5,547,475	\$5,208,856
	Total Assets		\$9,240,923	\$9,657,652

*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 (2020)	Balance at End of Year (2020)
Account No.	Current Liabilities			
231	Accounts Payable		\$29,612	\$510
232	Notes Payable (Current Portion)		0	0
233	Accounts Payable - Related Party		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		287,540	343,203
236	Accrued Taxes		251,898	156,989
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		7,826	6,520
	Total Current Liabilities		\$576,876	\$507,223
	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		383,415	363,935
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		820,205	820,205
272	Less: Amortization of Contributions		(480,984)	(514,065)
281	Accumulated Deferred Income Tax		795,861	759,320
	Total Deferred Credits		\$1,518,497	\$1,429,395
	Total Liabilities		\$2,095,373	\$1,936,618
	Capital Accounts			
201	Common Stock Issued		\$3,500	\$3,500
211	Other Paid-In Capital		3,195,896	3,195,896
215	Retained Earnings		3,946,154	4,521,638
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$7,145,550	\$7,721,034
	Total Liabilities and Capital		\$9,240,923	\$9,657,652

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
12/31/20

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	\$1,488,513	\$1,343,126
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	22,247	18,978
	Total Revenues	\$1,510,760	\$1,362,104
	Operating Expenses		
601	Salaries and Wages	\$126,730	\$101,213
603	Salaries and Wages - Officers	9,763	9,734
604	Employee Pensions and Benefits	21,665	14,362
610	Purchased Water	0	0
615	Purchased Power	104,362	90,237
618	Chemicals	10,152	9,917
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	26,796	28,339
620.2	Office Supplies and Expense	30,600	24,027
630	Contractual Services	0	0
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	1,600	1,525
633	Contractual Services - Legal	810	2,585
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	9,052	8,370
636	Contractual Services - Other	20,004	20,016
640	Rents	0	0
641	Rental of Building/Real Property	392	0
642	Rental of Equipment	0	0
650	Transportation Expenses	9,175	10,394
656	Insurance - Vehicles	4,088	3,315
657	Insurance - General Liability	12,188	9,292
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	23,997	28,796
670	Bad Debt Expense	312	3,021
675	Miscellaneous Expense	4,086	6,548
403	Depreciation Expense (From Schedule AR4)	366,540	351,931
407.5	Amortization - EADIT	(19,480)	(19,480)
408	Taxes Other Than Income	0	0
408.11	Property Taxes	61,575	57,345
408.12	Payroll Taxes	7,414	10,377
408.13	Other Taxes and Licenses	5,438	4,327
409	Income Taxes	188,341	190,534
427.1	Customer Security Deposit Interest	0	0
434	Rate Case Adjustments	0	0
	Total Operating Expenses	\$1,025,600	\$966,725
	Operating Income / (Loss)	\$485,160	\$395,379
	Other Income / (Expense)		
419	Interest and Dividend Income	\$89,333	\$172,350
421	Non-Utility Income	991	909
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$90,324	\$173,259
	Net Income / (Loss)	\$575,484	\$568,638

Quail Creek Water Company
Annual Report
Full time equivalent employees
12/31/20

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	0.2	0.0	0.2
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	1.5	0.0	1.5
Meter reader	0.0	0.2	0.0	0.2
Customer Service	0.0	0.2	0.0	0.2
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)
12/31/20

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:	\$343,203
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Meter Deposits Refunded During the Test Year:	\$41,758
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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											
Name of the System:		QUAIL CREEK WATER COMPANY INC.									
ADEQ Public Water System Number:		AZ0410262									
ADWR PCC Number:		91-000482.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2020	Meter Size (inches)	How measured:	Active
55-608597	75	300	459	16	submersible	1952	unknown	unknown	8	Metered	Yes
55-608522	125	675	2,000	20	turbine	1974	unknown	unknown	8	Metered	Yes
55-219145	150	900	13,000	20	turbine	2011	unknown	unknown	8	Metered	Yes
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
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
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
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
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
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
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

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) ⁷
January	14,684,000.00	12,605,730.00	0.00	0.00	0.00	\$6,464	42,417
February	15,097,000.00	12,744,066.00	0.00	0.00	0.00	6,509	43,949
March	13,799,000.00	13,111,959.00	0.00	0.00	0.00	7,257	42,963
April	18,545,000.00	14,692,766.00	0.00	0.00	0.00	6,860	46,395
May	18,717,000.00	17,056,916.00	0.00	0.00	0.00	7,795	52,411
June	23,533,000.00	19,797,629.00	0.00	0.00	0.00	10,114	63,777
July	18,625,000.00	19,269,916.00	0.00	0.00	0.00	9,458	61,774
August	26,467,000.00	20,112,672.00	0.00	0.00	0.00	10,425	63,533
September	21,755,000.00	19,017,258.00	0.00	0.00	0.00	10,630	63,922
October	20,459,000.00	19,370,834.00	0.00	0.00	0.00	11,077	70,042
November	21,106,000.00	18,092,521.00	0.00	0.00	0.00	9,265	63,996
December	18,707,000.00	15,845,751.00	0.00	0.00	0.00	8,508	60,493
Totals	231,494,000.00	201,718,018.00	0.00	0.00	0.00	\$104,362	675,672

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

N/A

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	76,234
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

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	2,602	21%	unknown
0.75	15	53%	unknown
1	209	27%	unknown
1.5	11	73%	unknown
2	12	92%	unknown
3	5	100%	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

SERVICE LINES			
Material	Percent of system	Year installed	
Copper	48%	1989	
Other	2%	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

FIRE HYDRANTS	
Type	Quantity
Standard *	290
Other	0

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

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)
--

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	162
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	2,639	0	19	43	4
February	2,649	0	19	46	4
March	2,665	0	19	46	2
April	2,682	0	19	46	3
May	2,696	0	18	46	5
June	2,711	0	18	46	5
July	2,724	0	18	46	5
August	2,740	0	18	46	5
September	2,752	0	18	46	5
October	2,771	0	18	46	5
November	2,777	0	18	46	5
December	2,788	0	18	46	4

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
12/31/20

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.

Quail Creek Water Company
Annual Report
Property Taxes
12/31/20

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2020 was	\$59,460

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.

Quail Creek Water Company
Annual Report
Verification and Sworn Statement (Taxes)
12/31/20

RECEIVED
BY EMAIL
04/29/2021, 10:09 AM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Verification and Sworn Statement (Taxes)

Verification: State of Ariz on 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: 12/31/20

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.

[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

28th

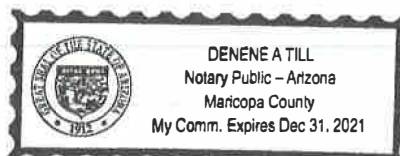
DAY OF

Maricopa
(county name)

April, 2021
(month) and (year)

MY COMMISSION EXPIRES

12/31/2021
(date)



Denene A. Till
(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: 12/31/20

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 (\$)

\$1,633,901

(The amount in the box above includes

\$123,141 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

28th

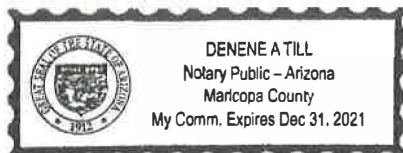
DAY OF

Maricopa
(county name)

April, 2021
(month) and (year)

MY COMMISSION EXPIRES

12/31/2021
(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: 12/31/20

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 (\$)

\$1,338,524

(The amount in the box above includes

\$108,498 in sales taxes
billed or collected)


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

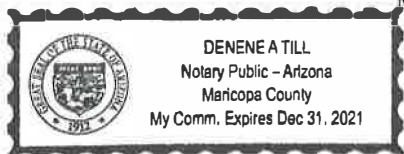
28th

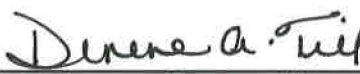
DAY OF

April, 2021
(month) and (year)

MY COMMISSION EXPIRES

12/31/2021
(date)




(signature of notary public)

04/29/2021, 10:09 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Quail Creek Water Company
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/20

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: 12/31/20

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 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]
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

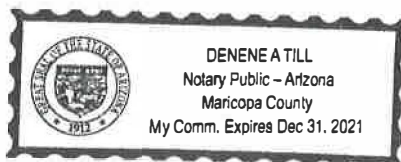
28th

DAY OF

April, 2021
(month) and (year)

MY COMMISSION EXPIRES

12/31/2021
(date)



Denene A. Till
(signature of notary public)