

ANNUAL REPORT

Of

Company Name: Global Water - Palo Verde Utilities Company, Inc.

c/o Global Water Resources, Inc.

Mailing Address: 21410 N. 19th Ave., Ste. 220
Phoenix AZ
85027

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4/15/2022, 9:05 AM

**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

Docket No.: SW-20445A

For the Year Ended: 12/31/21

WASTEWATER 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: 4/14/2022

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Global Water - Palo Verde Utilities Company, Inc.
A Class ☐ A Utility

For the Calendar Year Ended: 12/31/21

Primary Address:

21410 N. 19th Avenue, Suite 220			
City:	Phoenix	State:	Arizona
Zip Code:	85027		

Telephone Number:

480-360-7775

Date of Original Organization of Utility:

12/7/2005

Person to whom correspondence should be addressed concerning this report:

Name:

Christopher D. Krygier

Telephone No. :

623-377-2603

Address:

21410 N. 19th Avenue, Suite 220			
City:	Phoenix	State:	Arizona
Zip Code:	85027		

Email:

christopher.krygier@gwresources.com

Regulatory Contact
Name:

Christopher D. Krygier

Telephone No. :

623-377-2603

Address:

21410 N. 19th Avenue, Suite 220			
City:	Phoenix	State:	Arizona
Zip Code:	85027		

Email:

christopher.krygier@gwresources.com

On-Site Manager
Name:

Jon Corwin

Telephone No. :

520-265-1947

Address:

21410 N. 19th Avenue, Suite 220			
City:	Phoenix	State:	Arizona
Zip Code:	85027		

Email:

jon.corwin@gwresources.com

Attorney
Name:

Tim Sabo

Telephone No. :

480-999-5215

Address:

21410 N. 19th Avenue, Suite 220			
City:	Phoenix	State:	Arizona
Zip Code:	85027		

Email:

tim.sabo@gwresources.com

Statutory Agent
Name:

Mike Liebman

Telephone No. :

480-999-5104

Address:

21410 N. 19th Avenue, Suite 220			
City:	Phoenix	State:	Arizona
Zip Code:	85027		

Email:

mike.liebman@gwresources.com

Ownership:

"C" Corporation

Counties Served:

Pinal

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Global Water - Palo Verde Utilities Company, Inc.

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 change in ownership or direct control.

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.
	No notification by any other regulatory authorities during the year that the company is out of compliance.

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	\$0	\$0	\$0	\$0	-	\$0
352	Franchises	-	-	-	0	-	0
353	Land and Land Rights	302,909	-	-	302,909	-	302,909
354	Structures and Improvements	35,276,292	23,302	-	35,299,594	11,687,370	23,612,224
355	Power Generation Equipment	1,330,871	4,454	-	1,335,325	523,376	811,948
360	Collections Wastewater - Force	5,172,806	-	-	5,172,806	1,540,128	3,632,678
361	Collections Wastewater - Gravity	52,724,788	2,432,249	4,963	55,152,073	14,935,599	40,216,474
362	Special Collecting Structures	565,614	-	-	565,614	59,030	506,583
363	Services to Customers	7,477,072	2,213,913	-	9,690,986	1,687,722	8,003,263
364	Flow Measuring Devices	77,903	(131)	-	77,772	43,603	34,169
365	Flow Measuring Installations	-	-	-	0	-	0
366	Reuse Services	-	-	-	0	-	0
367	Reuse Meters & Meter Installations	-	-	-	0	-	0
370	Receiving Wells	1,183,361	-	-	1,183,361	587,837	595,524
371	Pumping Equipment	5,776,267	213,891	7,329	5,982,829	4,672,264	1,310,564
374	Reuse Distribution Reservoirs	1,366,903	-	-	1,366,903	486,045	880,858
375	Reuse Trans. And Distr. Equipment	14,417,744	-	-	14,417,744	4,831,917	9,585,827
380	Treatment and Disposal Equipment	13,348,694	56,471	21,603	13,383,561	4,820,362	8,563,199
381	Plant Sewers	789,702	5,011	-	794,713	254,413	540,300
382	Outfall Sewer Lines	353,645	-	-	353,645	229,015	124,630
389	Other Plant and Misc. Equipment	2,433,649	22,815	6,760	2,449,703	1,893,119	556,584
390	Office Furniture and Equipment	104,333	26,357	-	130,690	55,341	75,349
390.1	Computer & Software	413,061	358,417	-	771,478	424,355	347,123
391	Transportation Equipment	543,004	102,376	-	645,380	455,029	190,351
392	Stores Equipment	-	-	-	0	-	0
393	Tools, Shop and Garage Equipment	195,721	-	-	195,721	116,748	78,973
394	Laboratory Equipment	16,314	849	-	17,163	13,887	3,276
395	Power Operated Equipment	600,435	-	-	600,435	93,792	506,643
396	Communication Equipment	77,054	3,032	-	80,086	49,806	30,279
397	Miscellaneous Equipment	588,034	-	-	588,034	516,858	71,176
398	Other Tangible Plant	216,388	7,356	-	223,745	109,157	114,588
	Totals	\$145,352,564	\$5,470,362	\$40,655	\$150,782,271	\$50,086,777	\$100,695,493

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.

Global Water - Palo Verde Utilities Company, Inc.
Annual Report
Depreciation Expense for the Current Year (Wastewater)
12/31/21

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$0	\$0	\$0	\$0	-	0.00%	\$0
352	Franchises	0	0	0	0	-	0.00%	0
353	Land and Land Rights	302,909	0	0	302,909	302,909	0.00%	0
354	Structures and Improvements	35,276,292	23,302	0	35,299,594	-	3.48%	1,228,186
355	Power Generation Equipment	1,330,871	4,454	0	1,335,325	-	5.06%	67,449
360	Collections Wastewater - Force	5,172,806	0	0	5,172,806	-	1.98%	102,543
361	Collections Wastewater - Gravity	52,724,788	2,432,249	4,963	55,152,073	-	2.00%	1,076,772
362	Special Collecting Structures	565,614	0	0	565,614	531	2.09%	11,804
363	Services to Customers	7,477,072	2,213,913	0	9,690,986	-	2.00%	171,664
364	Flow Measuring Devices	77,903	(131)	0	77,772	19,163	10.30%	6,044
365	Flow Measuring Installations	0	0	0	0	-	0.00%	0
366	Reuse Services	0	0	0	0	-	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	-	0.00%	0
370	Receiving Wells	1,183,361	0	0	1,183,361	-	3.33%	39,390
371	Pumping Equipment	5,776,267	213,891	7,329	5,982,829	3,534,155	12.49%	292,977
374	Reuse Distribution Reservoirs	1,366,903	0	0	1,366,903	-	2.96%	40,502
375	Reuse Trans. And Distr. Equipment	14,417,744	0	0	14,417,744	-	2.65%	381,918
380	Treatment and Disposal Equipment	13,348,694	56,471	21,603	13,383,561	-	5.72%	764,593
381	Plant Sewers	789,702	5,011	0	794,713	-	5.04%	39,910
382	Outfall Sewer Lines	353,645	0	0	353,645	-	3.34%	11,821
389	Other Plant and Misc. Equipment	2,433,649	22,815	6,760	2,449,703	29,348	6.52%	157,214
390	Office Furniture and Equipment	104,333	26,357	0	130,690	-	4.43%	5,205
390.1	Computer & Software	413,061	358,417	0	771,478	22,836	16.52%	94,045
391	Transportation Equipment	543,004	102,376	0	645,380	226,549	17.43%	64,093
392	Stores Equipment	0	0	0	0	-	0.00%	0
393	Tools, Shop and Garage Equipment	195,721	0	0	195,721	-	5.45%	10,667
394	Laboratory Equipment	16,314	849	0	17,163	12,338	9.75%	429
395	Power Operated Equipment	600,435	0	0	600,435	-	5.01%	30,104
396	Communication Equipment	77,054	3,032	0	80,086	17,197	13.11%	8,044
397	Miscellaneous Equipment	588,034	0	0	588,034	351,061	12.11%	28,707
398	Other Tangible Plant	216,388	7,356	0	223,745	71,272	15.29%	22,745
	Subtotal	\$145,352,564	\$5,470,362	\$40,655	\$150,782,271	\$4,587,360		\$4,656,827

Contribution(s) in Aid of Construction (Gross)

\$3,568,245

Less: Non Amortizable Contribution(s)

0

Fully Amortized Contribution(s)

0

Amortizable Contribution(s)

\$3,568,245

Times: Proposed Amortization Rate

2.48%

Amortization of CIAC

\$88,467

Less: Amortization of CIAC **\$88,467**

DEPRECIATION EXPENSE \$4,568,359

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.

Global Water - Palo Verde Utilities Company, Inc.
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		\$0	\$0
132	Special Deposits		-	-
133	Other Special Deposits		1,319,122	663,294
134	Working Funds		-	-
135	Temporary Cash Investments		-	-
141	Customer Accounts Receivable		1,105,743	956,100
142	Other Accounts Receivable		1,736	(3,031)
143	Accumulated Provision for Uncollectable Accounts		(98,005)	(62,902)
146	Notes Receivable from Associated Companies		-	-
151	Plant Material and Supplies		-	-
162	Prepayments		8,771	3,771
173	Accrued Utility Revenue		1,348,146	1,446,860
174	Miscellaneous Current and Accrued Assets		-	-
	Total Current and Accrued Assets		\$3,685,514	\$3,004,091
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	0
190	Accumulated Deferred Income Taxes		0	0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$145,352,564	\$150,782,271
103	Property Held for Future Use		-	-
105	Construction Work in Progress		16,382,816	19,504,841
108	Accumulated Depreciation (enter as negative)*		(45,470,171)	(50,086,777)
121	Non-Utility Property		-	0
122	Accumulated Depreciation - Non Utility		-	0
	Total Fixed Assets		\$116,265,208	\$120,200,335
	Other Fixed Assets			
114	Utility Plant Acquisition Adjustments		\$0	\$0
	Total Other Fixed Assets		\$0	\$0
	Total Assets		\$119,950,723	\$123,204,425

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.

Note these items feed automatically from the adjusted end of year balance from AR4.

Global Water - Palo Verde Utilities Company, Inc.
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		\$22,328	\$720,083
232	Notes Payable (Current Portion)		-	-
234	Notes Payable to Associated Companies		-	-
235	Customer Deposits		677,530	677,530
236	Accrued Taxes		631,615	660,925
237	Accrued Interest		120,998	120,998
241	Miscellaneous Current and Accrued Liabilities		621,667	2,112,249
253	Other Deferred Credits		-	-
	Total Current Liabilities		\$2,074,137	\$4,291,784
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
252	Advances in Aid of Construction		32,865,636	36,014,500
253	Other Deferred Credits		1,225,272	569,155
255	Accumulated Deferred Investment Tax Credits		-	-
271	Contributions in Aid of Construction		2,130,826	3,568,245
272	Less: Amortization of Contributions		(258,900)	(347,367)
281	Accumulated Deferred Income Tax		5,119,663	9,120,040
	Total Deferred Credits		\$41,082,498	\$48,924,573
	Total Liabilities		\$43,156,635	\$53,216,357
	Capital Accounts			
201	Common Stock Issued		10	10
211	Other Paid-In Capital		47,600,364	36,885,147
215	Retained Earnings		29,193,714	33,102,911
218	Proprietary Capital (Sole Props and Partnerships)		-	-
	Total Capital		\$76,794,088	\$69,988,069
	Total Liabilities and Capital		\$119,950,723	\$123,204,425

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.

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

Global Water - Palo Verde Utilities Company, Inc.
Annual Report
Wastewater Comparative Income Statement
12/31/21

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2021 -	Last Year 01/01/2020 -
	Operating Revenue		
521	Flat Rate Revenues	\$19,769,060	\$18,029,838
522	Measured Revenues	1,119,955	1,168,424
534	Rents from Wastewater Property	36,514	139,682
536	Other Wastewater Revenues	346,803	215,508
	Total Revenues	\$21,272,332	\$19,553,453
	Operating Expenses		
701	Salaries and Wages	4,285,922	3,888,533
704	Employee Pensions and Benefits	895,500	536,155
710	Purchased Wastewater Treatment	-	-
711	Sludge Removal Expense	17,873	10,920
715	Purchased Power	726,419	722,579
716	Fuel for Power Production	-	-
718	Chemicals	198,855	240,517
720	Materials and Supplies	33,714	27,415
720.1	Repairs and Maintenance	225,977	139,945
720.2	Office Supplies and Expense	-	-
721	Office Expense	212,905	148,369
731	Contractual Services -Engineering	-	-
732	Contractual Services - Accounting	337,853	311,902
733	Contractual Services - Legal	192,834	138,337
734	Contractual Services - Management Fees	-	-
735	Contractual Services - Testing	51,994	39,882
736	Contractual Services - Other	685,229	672,698
740	Rents - Building	89,901	81,826
742	Rents - Equipment	17,858	18,141
750	Transportation Expenses	147,452	126,678
757	Insurance - General Liability	278,683	218,826
758	Insurance - Worker's Compensation	44,143	43,061
759	Insurance - Other	-	-
760	Advertising Expense	18,411	15,189
766	Regulatory Commission Expense - Rate Case	-	-
767	Regulatory Commission Expense - Other	39,632	37,678
770	Bad Debt Expense	40,109	93,714
775	Miscellaneous Expense	1,383,872	1,283,399
403	Depreciation Expense (From Schedule AR4)	4,568,359	4,397,768
408	Taxes Other Than Income	92,701	92,441
408	Taxes Other Than Income	-	-
408.11	Property Taxes	1,299,837	1,237,301
408.12	Payroll Taxes	265,699	229,101
408.13	Other Taxes and Licenses	591	-
409	Income Taxes	1,173,149	1,174,493
	Total Operating Expenses	\$17,325,472	\$15,926,867
	Operating Income / (Loss)	\$3,946,859	\$3,626,586
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	(435)	(548,586)
419	Interest and Dividend Income	289	826
421	Non-Utility Income	-	-
426	Miscellaneous Non-Utility (Expense)	(977)	174,176
427	Interest (Expense)	(36,540)	(49,136)
	Total Other Income / (Expense)	(\$37,662)	(\$422,720)
	Net Income / (Loss)	\$3,909,197	\$3,203,866

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.

Global Water - Palo Verde Utilities Company, Inc.
 Annual Report
 Full time equivalent employees
 12/31/21

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.5	0.0	0.5
Vice-president	0.0	3.1	0.0	3.1
Manager	0.0	0.5	0.0	0.5
Engineering Staff	0.0	3.8	0.0	3.8
System Operator(s)	0.0	21.2	0.0	21.2
Customer Service	0.0	4.0	0.0	4.0
Accounting	0.0	3.6	0.0	3.6
Business Office	0.0	4.7	0.0	4.7
Rates Department	0.0	0.5	0.0	0.5
Administrative Staff	0.0	7.6	0.0	7.6
Other	0.0	0.0	0.0	0.0
Total	0.0	49.4	0.0	49.4

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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Global Water - Palo Verde Utilities Company, Inc.
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:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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<p><i>List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should <u>not</u> be listed. Input 0 or none if there is nothing to report for that cell.</i></p>

Global Water - Palo Verde Utilities Company, Inc.
Annual Report
Wastewater Utility Plant Description
12/31/21

Wastewater Utility Plant Description

Name of System:	Global Water-Palo Verde Utilities Company Inc (North)
Wastewater Inventory Number (if applicable):	105228
Type of Treatment	Other
Design Capacity of Plant (Gallons per day)	12,000,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
McDavid	2	70	650	15000	2005
Cobblestone	2	18	1200	8900	2003
Tortosa	2	5	300	10300	2005
Maricopa Groves	2	34	750	24600	2004
Alterra	2	15.4	690	13200	2005
Rancho El Dorado	3	15	1100	23095	2003
Palo Verde WRF	4	34	2350	328000	2006
Smith Enke	4	10	900	5880	2018
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

FORCE MAINS

Size	Material	Length (Feet)
4 inch	Unknown	36
4 inch	DIP	13
6 inch	DIP	99
8 inch	PVC	2,000
8 inch	PVC	23,500
10 inch	DIP	65
10 inch	PVC	6,300
12 Inch	Unknown	60
12 Inch	PVC	1,500
14 inch	Unknown	33
14 inch	PVC	8,000
16 inch	DIP	187
18 inch	Unknown	174
18 inch	DIP	17
20 inch	Unknown	225
24 inch	DIP	942
24 inch	PVC	5,600
30 inch	Unknown	10
30 inch	DIP	50
Unknown	Unknown	2,999
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

MANHOLES	
Type	Quantity
Standard	4,331
Drop	45

CLEANOUTS
Quantity
255
0
0
0

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. Copy and paste this sheet as many times as is necessary.

Global Water - Palo Verde Utilities Company, Inc.
Annual Report
Wastewater Utility Plant Description (Continued)

Wastewater Utility Plant Description (Continued)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	PVC	733	4	SDR 35 PVC	391
6	Unknown	98	4	Unknown	23,550
6	PVC	3,200	6	SDR 35 PVC	13
6	Ductile Iron (DIP)	160	6	Unknown	23
8	PVC	841,900			
8	Ductile Iron (DIP)	4,400			
8	ABS	24			
8	PVC	1,400			
10	PVC	50,600			
10	Ductile Iron (DIP)	264			
12	PVC	73,900			
12	Ductile Iron (DIP)	1,600			
15	PVC	17,400			
Unknown	Unknown	799			
16	PVC	22			
18	PVC	8,900			
18	Ductile Iron (DIP)	162			
18	HDPE	2,500			
21	PVC	547			
24	PVC	37,900			
24	Ductile Iron (DIP)	641			
24	HDPE	16,300			
27	HDPE	1,700			
30	PVC	9,000			
30	Ductile Iron (DIP)	1,800			
30	HDPE	14,700			
36	PVC	28,700			
36	HDPE	2,400			
42	PVC	228			
42	HDPE	5,300			
48	PVC	4,500			
48	Unknown	19			
Unknown	PVC	7,100			

Wastewater Utility Plant Description (Continued)

For the following five items, list the utility owned assets in each category for each system.

SOLIDS PROCESSING AND HANDLING FACILITIES	Belt Press x2, Conveyor System for Bio-solids x2, Influent Trash removal Auger x3, Washer compactor x1, Grit Classifier x2, Conveyor for grit/trash x1, Bar screen at influent lift station x1.
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet,	Trojan UV Module x4, Chlorination
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	10 MGD Disc Filters x2
STRUCTURES (Buildings, Fences, Etc.)	Office/Lab/Storage = 1500 sq ft x1, Blower Building = 1400 sq ft x1, Headworks Building = 2800 sq ft x1, Clarifier Tanks x3, IFAS Treatment Trains x2, Blower/ Solids Handling Building = 2400 sq ft x1, Masonry Walls = 1878 ft, Connex Storage Containers x2, Masonary Block wall at Cobblestone LS, Groves LS, RED LS, Smith ENKE LS, Tortosa LS, Chain Link = 2450 ft, McDavid LS Chain link fence.
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Odor Control Scrubbers x6, Chlorination injection x1, Bisulfite injection system x1, Polymere injection system x1, 1500kW generator x2, 350kVa Generator x2, 80kVa Generator x2, 60kVa Generator x2, Hach Water Test kit (DR2000) x2, Chevy 1500 x1, Ford Fusion x1, Ford F150 x4, Tacoma x3, Honda Civic x1, Ford Explorer x2, Ford F350 x2, Ford Escape x1, Vactor Truck x2, Kenworth Roll Off Truck x1, Roll off Flat Bed x1, 20CY Roll off container x7, 30CY Roll off container x3, Diesel Pumps x3, Mobile Air

<p>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. Copy and paste this sheet as many times as is necessary.</p>

Wastewater Utility Plant Description

Name of System:	Global Water-Palo Verde Utilities Company Inc (SW)
Wastewater Inventory Number (if applicable):	Global Water - Palo Verde Utilities Company Inc (SW)
Type of Treatment	Other
Design Capacity of Plant (Gallons per day)	1,000,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

FORCE MAINS

Size	Material	Length (Feet)
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0

MANHOLES

Type	Quantity
Standard	59
Drop	0

CLEANOUTS

Quantity
15
0
0
0

Note: If you are filing for more than one system, please provide separate sheets for each system.

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. Copy and paste this sheet as many times as is necessary.

Wastewater Utility Plant Description (Continued)					
GRAVITY MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
8	Ductile Iron (DIP)	336	4	NA	1
8	PVC	1,800	0	0	0
10	PVC	2,100	0	0	0
12	PVC	819	0	0	0
12	HDPE	174			
15	PVC	1,400			
15	HDPE	225			
18	PVC	988			
30	PVC	2,800			
30	HDPE	2,500			
36	HDPE	2,400			
42	HDPE	5,300			
48	HDPE	6,600			
0	NA	0			
0	NA	0			

For the following five items, list the utility owned assets in each category for each system.

SOLIDS PROCESSING AND HANDLING FACILITIES	Influent Trash Removal Auger, Grit Classifier, Conveyor for grit/trash
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	1-Low Pressure High Intensity UV System
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	2-1.0 MGD Sand Filter
STRUCTURES (Buildings, Fences, Etc.)	1-Office/Lab Storage, 1-SBR Blower Building, Block Wall around Odor Control and Filtration, Headworks Building, Belt Press Building
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	NA

Note: If you are filing for more than one system, please provide separate sheets for each system.

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. Copy and paste this sheet as many times as is necessary.

Global Water - Palo Verde Utilities Company, Inc.
Annual Report
Wastewater Flows
12/31/21

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	22,732	100,169,000	3,900,000	\$58,867	577,109
February	22,951	92,523,000	3,769,000	61,233	599,082
March	23,187	103,054,000	3,677,000	62,105	611,100
April	23,373	100,793,000	3,742,000	62,862	617,363
May	23,616	101,488,000	3,664,000	65,365	312,967
June	23,726	97,668,000	3,535,000	59,617	587,324
July	23,884	105,119,000	4,141,000	59,688	579,230
August	23,959	107,255,000	4,367,000	63,439	629,465
September	24,023	100,997,000	3,719,000	60,223	575,486
October	24,152	102,843,000	3,721,000	57,190	549,721
November	24,235	103,177,000	4,306,000	59,742	386,486
December	24,346	104,535,000	3,860,000	58,768	564,813
	Totals	1,219,621,000	46,401,000	\$729,098	6,590,146

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Discharge to wash and reuse
Groundwater Permit Number	NA
ADEQ Aquifer Protection Permit ("APP") Number	105228
ADEQ Reuse Permit Number	R106345
EPA NPDES Permil Number	AZ0025071
APP Effluent Treatment Requirement (Class)?	Class A+
Permitted Flow Rate	5 MGD
Permitted Organic Capacity	5 MGD
Hydraulic Capacity	5 MGD
Type of Biological Treatment	IFAS

In the space below, list all violations within the past 12 months:

No violations within the last 12 months.

Note: If you are filing for more than one system, please provide separate sheets for each system.

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

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.

Global Water - Palo Verde Utilities Company, Inc.
Annual Report
Wastewater Flows
12/31/21

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	0	0	0	\$0	0
February	0	0	0	\$0	0
March	0	0	0	\$0	0
April	0	0	0	\$0	0
May	0	0	0	\$0	0
June	0	0	0	\$0	0
July	0	0	0	\$0	0
August	0	0	0	\$0	0
September	0	0	0	\$0	0
October	0	0	0	\$0	0
November	0	0	0	\$0	0
December	0	0	0	\$0	0
	Totals	0	0	\$0	0

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Discharge to wash and reuse
Groundwater Permit Number	NA
ADEQ Aquifer Protection Permit ("APP") Number	P-105668
ADEQ Reuse Permit Number	0
EPA NPDES Permil Number	0
APP Effluent Treatment Requirement (Class)?	Class A+
Permitted Flow Rate	1 MGD
Permitted Organic Capacity	1 MGD
Hydraulic Capacity	1 MGD
Type of Biological Treatment	Sequenced Batch Reactor (SBR)

In the space below, list all violations within the past 12 months:

No violations within the last 12 months. Not Constructed.

Note: If you are filing for more than one system, please provide separate sheets for each system.

1 Enter the total purchased power costs for the power meters associated with this system.

2 Enter the total purchased kWh used by the power meters associated with this system.

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.

Other Wastewater System Information

Provide a calculation used to determine the value of one wastewater 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 days.
- (b) If no historical flow data are available, use:
$$\text{ERC} = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated. Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC

132

Method used:

(a)

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

37,801

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

90,723

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

PVUC Campus 1 - Additional IFAS media will be installed in Campus 1 when wastewater flows reach an average daily flow rate of 4.75 MGD to enable treatment up to 6.0 MGD. An estimated completion date for 6 MGD cannot be supplied because this improvement is based on future flow. The facility is permitted for 12 MGD, the current treatment configuration is 5 MGD (reference ADEQ APP 105228 LTF 64823).

If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

Anderson Farms 0.852MG, Cobblestone HOA 46.253 MG, Glennwilde HOA 74.09 MG, City of Maricopa 18.52MG, Homestead HOA 66.23 MG, Maricopa Meadows HOA 70.83 MG, Province HOA 170.83 MG, Rancho El Dorado III HOA 114.78 MG, Rancho Mirage HOA 43.6 MG, Sorrento HOA 34.7 MG, Villages HOA 40.14 MG, and U of A MAC 13.58 MG.

If the utility does not engage in reuse, has a reuse feasibility study been completed?

N/A

If so, when?

Not applicable. The Facility performed a reuse study and delivers recycled water as outlined above.

Other Wastewater System Information

Provide a calculation used to determine the value of one wastewater 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 days.
- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated. Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC
Method used:

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.

The PVUC Campus 2 facility has been constructed and can treat up to 1MGD, however no homes have been constructed to produce wastewater flow. On Feb 24, 2021, Andrew Smith, ACC's Engineer Supervisor advised not to report any ERC data until the facility is receiving wastewater flow. The Campus 2 facility is projected to begin receiving wastewater flow on December 1, 2022.

If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

The PVUC Campus 2 will supply the effluent reuse sites when the developer has confirmed the locations within the development that will receive A+ effluent.

If the utility does not engage in reuse, has a reuse feasibility study been completed?

If so, when?

Not applicable. The Facility will perform a reuse study when the developers have provided their irrigation needs and location(s) for a recycled water retention structure(s).

Global Water - Palo Verde Utilities Company, Inc.
Annual Report
Utility Shutoffs / Disconnects
12/31/21

Utility Shutoffs / Disconnects	
Name of System:	Global Water-Palo Verde Utilities Company Inc (North)
Wastewater Inventory Number (if applicable):	105228

Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2- 609.C	Other
January	0	0	0
February	0	110	0
March	0	19	0
April	0	543	0
May	0	403	0
June	0	507	0
July	0	523	0
August	0	336	0
September	0	316	0
October	0	173	0
November	0	393	0
December	0	32	0
Total	0	3,355	0

Other (description):

NA

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.

Global Water - Palo Verde Utilities Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

Utility Shutoffs / Disconnects	
Name of System:	Global Water-Palo Verde Utilities Company Inc (North)
Wastewater Inventory Number (if applicable):	105228

Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2- 609.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

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.

Global Water - Palo Verde Utilities Company, Inc.
Annual Report
Property Taxes
12/31/21

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2021 was	\$1,268,569

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: Christopher D. Krygier
Company name: Global Water - Palo Verde Utilities Company, Inc.

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.

Christopher D. Krygier 4/14/2022

signature of owner/official

623-377-2603

telephone no.

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

THIS

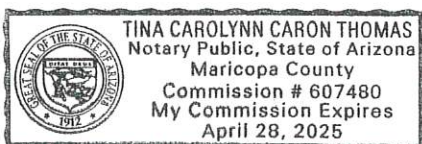
14th

DAY OF

Maricopa
(county name)
April 2022
(month) and (year)

MY COMMISSION EXPIRES

4/28/25
(date)



Tina Carolyn Caron Thomas
(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: Christopher D. Krygier
Company name: Global Water - Palo Verde Utilities Company, Inc.

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 (\$)

\$21,340,167

(The amount in the box above includes

\$104,349 in sales taxes

billed or collected)

Christopher D. Krygier 4/14/2022
signature of owner/official

623-377-2603

telephone no.

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

THIS

12/31/21

DAY OF

Maricopa
(county name)
April 2022
(month) and (year)

MY COMMISSION EXPIRES

4/28/25
(date)



Tina Carolyn Caron Thomas
(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:

Christopher D. Krygier

Company name:

Global Water - Palo Verde Utilities Company, Inc.

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 (\$)

\$19,043,381

(The amount in the box above includes

\$0 in sales taxes

billed or collected)

Christopher D. Krygier 4/14/2022

signature of owner/official

623-377-2603

telephone no.

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

Maricopa
(county name)

THIS

14th

DAY OF

April 2022
(month) and (year)

MY COMMISSION EXPIRES

4/28/25
(date)



Tina Carolyn Caron Thomas
(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: Christopher D. Krygier
Company name: Global Water - Palo Verde Utilities Company, Inc.

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.

Christopher D. Krygier 4/14/2022

signature of owner/official

623-377-2603

telephone no.

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

Maricopa
(county name)

THIS

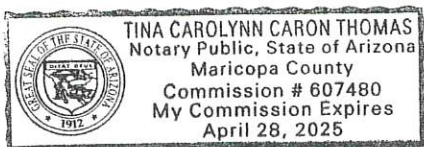
14th

DAY OF

April 2022
(month) and (year)

MY COMMISSION EXPIRES

4/28/25
(date)



Tina Carolyn Caron Thomas
(signature of notary public)