

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

<p>W-01809A Cayetano, Inc. dba Lakewood Water Company PO Box 733 Amado, AZ 85645</p>	<div style="border: 1px solid black; width: 40px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">L</div> <p>RECEIVED JUN 04 2010 ACC UTILITIES DIRECTOR</p>
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**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

12	31	2009
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FOR COMMISSION USE

ANN 04	09
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6-24-10

COMPANY INFORMATION

Company Name (Business Name) <u>Cayetano, Inc. dba Lakewood Water Company</u>		
Mailing Address <u>Po Box 14858</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85732-4858</u> (Zip)
<u>520-398-9815</u> Telephone No. (Include Area Code)	<u>520-838-8778</u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)
Email Address <u>lisa@smythindustries.com</u>		
Local Office Mailing Address <u>Po Box 14858</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85732</u> (Zip)
<u>520-398-9815</u> Local Office Telephone No. (Include Area Code)	<u>520-838-8778</u> Fax No. (Include Area Code)	<u></u> Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact:		
<input checked="" type="checkbox"/> Management Contact: <u>Lisa Sullivan</u> <u>V.P.</u>		
<u>Po Box 14858</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> <u>85732</u> (State) (Zip)
<u>520-398-9815</u> Telephone No. (Include Area Code)	<u>520-838-8778</u> Fax No. (Include Area Code)	<u>520-349-9206</u> Cell No. (Include Area Code)
Email Address <u>lisa@smythindustries.com</u>		
On Site Manager: <u>Chris Hill</u>		
<u>Po Box 70022</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> <u>85737</u> (State) (Zip)
<u>520-904-0741</u> Telephone No. (Include Area Code)	<u>520-297-9494</u> Fax No. (Include Area Code)	<u>N/A</u> Cell No. (Include Area Code)
Email Address <u>cwh2serv@msn.com</u>		

Statutory Agent: <u>Gary Smyth</u>			
(Name)			
<u>4010 E. Illinois</u>	<u>Tucson</u>	<u>AZ</u>	<u>85714</u>
(Street)	(City)	(State)	(Zip)
<u>520-398-9815</u>	<u>520-838-8778</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>Lawrence Robertson Jr.</u>			
(Name)			
<u>Po Box 1448</u>	<u>Tubac, AZ</u>	<u>85646</u>	
(Street)	(City)	(State)	(Zip)
<u>520-398-0411</u>	<u>520-398-0412</u>	<u>520-909-0145</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>tubaclawyer@aol.com</u>			

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE         | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM          | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA        | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI         | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

COMPANY NAME

Cayetano, Inc. dba Lakewood Water

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	7704	7704	—
302	Franchises	94	44	50
303	Land and Land Rights	37221	—	37221
304	Structures and Improvements	24784	14024	10760
307	Wells and Springs	17078	17078	—
311	Pumping Equipment	76362	66749	9613
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	25385	24647	738
331	Transmission and Distribution Mains	87931	87448	483
333	Services	12025	10108	1917
334	Meters and Meter Installations	28142	27711	431
335	Hydrants	—	—	—
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	4132	898	3234
340	Office Furniture and Equipment	15785	14045	1740
341	Transportation Equipment	1800	887	913
343	Tools, Shop and Garage Equipment	5062	3283	1779
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	2118	1315	803
346	Communication Equipment	—	—	—
347	Miscellaneous Equipment	—	—	—
348	Other Tangible Plant	—	—	—
	<b>TOTALS</b>	<b>345623</b>	<b>275941</b>	<b>69682</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Cayetano, Inc. dba Lakewood Water

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	7704	—	—
302	Franchises	94	5.32	5
303	Land and Land Rights	37221	—	—
304	Structures and Improvements	24784	13.48	3340
307	Wells and Springs	17078	—	—
311	Pumping Equipment	76362	1.26	942
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	25385	—	—
331	Transmission and Distribution Mains	87931	.10	86
333	Services	12025	.91	110
334	Meters and Meter Installations	28142	.19	54
335	Hydrants	—	—	—
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	4132	9.43	398
340	Office Furniture and Equipment	15785	48.23	7614
341	Transportation Equipment	1800	5.0	90
343	Tools, Shop and Garage Equipment	5062	9.92	502
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	2118	8.92	189
346	Communication Equipment	—	—	—
347	Miscellaneous Equipment	—	—	—
348	Other Tangible Plant	—	—	—
	<b>TOTALS</b>	<b>345623</b>		<b>13250</b>

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME	Cayetano, Inc. dba Lakewood Water
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BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 17878	\$ 78205
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	13843	11166
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	450	450
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 32171	\$ 89821
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 282585	\$ 284818
103	Property Held for Future Use	37221	37221
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	<248417>	<254148>
121	Non-Utility Property	16338	23583
122	Accumulated Depreciation - Non Utility	<141747>	<217937>
	<b>TOTAL FIXED ASSETS</b>	\$ 73553	\$ 69681
	<b>TOTAL ASSETS</b>	\$ 105724	\$ 159502

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME Cayetano, Inc. dba Lakewood WaterBALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
231	Accounts Payable	\$ 468	\$ 36
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1090	1477
236	Accrued Taxes	7892	2699
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 9450	\$ 4212
<b>LONG-TERM DEBT (Over 12 Months)</b>			
224	Long-Term Notes and Bonds	\$	\$
<b>DEFERRED CREDITS</b>			
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	9123	9123
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	18785	18785
272	Less: Amortization of Contributions	(13651)	(14490)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 14357	\$ 13418
	<b>TOTAL LIABILITIES</b>	\$ 23807	\$ 17630
<b>CAPITAL ACCOUNTS</b>			
201	Common Stock Issued	\$ 15790	\$ 15790
211	Paid in Capital in Excess of Par Value	(7907)	19210
215	Retained Earnings	66917	76872
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 81917	\$ 141872
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 105724	\$ 159502

COMPANY NAME Cayetano, Inc. dba Lakewood WaterCOMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 116729	\$ 101285
460	Unmetered Water Revenue		
474	Other Water Revenues	1670	2216
	<b>TOTAL REVENUES</b>	\$ 118399	\$ 103501
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 36400	\$ 11900
610	Purchased Water		
615	Purchased Power	4061	7338
618	Chemicals	1002	167
620	Repairs and Maintenance	6752	349
621	Office Supplies and Expense	3819	6371
630	Outside Services	2712	33147
635	Water Testing	1973	2224
641	Rents	4050	1954
650	Transportation Expenses	22	1193
657	Insurance - General Liability	2624	1789
659	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate Case		1540
675	Miscellaneous Expense	2029	1068
403	Depreciation Expense	23290	13350
408	Taxes Other Than Income	3008	3208
408.11	Property Taxes	5092	5192
409	Income Tax	2806	2699
	<b>TOTAL OPERATING EXPENSES</b>	\$ 102630	\$ 93489
	<b>OPERATING INCOME/(LOSS)</b>	\$ 15769	\$ 10012
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 10	\$ 139
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(707)	(135)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ (697)	\$ 4
	<b>NET INCOME/(LOSS)</b>	\$ 15072	\$ 10016

COMPANY NAME

Cayetano, Inc dba Lakewood Water

SUPPLEMENTAL FINANCIAL DATA

## Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$ N/A
Current Year Principle	\$	\$	\$	\$ N/A

Meter Deposit Balance at Test Year End

\$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year

\$ \_\_\_\_\_

COMPANY NAME	Cayetano, Inc. dba Lakewood Water		
Name of System:	Cayetano	ADEQ Public Water System Number:	10-003

### WATER COMPANY PLANT DESCRIPTION

#### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-629430	25	175	257	10	3	1972
55-629431	25	250	254	14	3	1972

\* Arizona Department of Water Resources Identification Number

#### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A		N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
N/A		5000 gallon	2

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

<b>COMPANY NAME</b>	<i>Cayland, Inc dba Lakewood Water Co.</i>
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	<i>PVC, steel</i>	<i>6350</i>
3		
4	<i>AC, C900</i>	<i>9100</i>
5		
6	<i>PVC, AC, C900</i>	<i>3450</i>
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
<i>5/8 X 3/4</i>	<i>293</i>
<i>3/4</i>	<i>0</i>
<i>1</i>	<i>6</i>
<i>1 1/2</i>	<i>1</i>
<i>2</i>	<i>1</i>
<i>Comp. 3</i>	
<i>Turbo 3</i>	
<i>Comp. 4</i>	
<i>Turbo 4</i>	
<i>Comp. 6</i>	
<i>Turbo 6</i>	

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

**TREATMENT EQUIPMENT:**

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**STRUCTURES:**

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**OTHER:**

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

COMPANY NAME: Lakewood Water Company  
 Name of System: Cayetano ADEQ Public Water System Number: 10-063

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	305	2612	1604	0
FEBRUARY	309	2509	2508	0
MARCH	310	3003	1340	0
APRIL	310	3673	3791	0
MAY	308	4169	2196	0
JUNE	310	4330	4548	0
JULY	306	3928	4246	0
AUGUST	305	4432	4701	0
SEPTEMBER	306	2142	3371	0
OCTOBER	308	3692	3909	0
NOVEMBER	310	2911	2768	0
DECEMBER	309	2116	2433	0
TOTALS →		40,517	37,421 *	0

\* Flow Meters replaced 5/12/2009  
 incorrect reads

What is the level of arsenic for each well on your system? .006 mg/l  
 (If more than one well, please list each separately.)

there was not a loss. Flow meters were reading wrong amount

If system has fire hydrants, what is the fire flow requirement? N/A GPM for \_\_\_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
 Yes       No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
 Yes       No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
 Yes       No

If yes, provide the GPCPD amount: —

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

<b>COMPANY NAME:</b>	<i>Cayetano, Inc. dba Lakewood Water</i>		
<b>Name of System:</b>	<b>ADEQ Public Water System Number:</b>		

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	
FEBRUARY	0	0	
MARCH	0	0	
APRIL	0	0	
MAY	0	0	
JUNE	0	0	
JULY	0	0	
AUGUST	0	0	
SEPTEMBER	0	0	
OCTOBER	0	0	
NOVEMBER	0	0	
DECEMBER	0	0	
<b>TOTALS →</b>	0	0	

OTHER (description):

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COMPANY NAME Cayetano, Inc. dba Lakewood YEAR ENDING 12/31/2009  
water

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2009 was: \$ 7458.52

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

VERIFICATION AND SWORN STATEMENT Taxes

RECEIVED ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona I, THE UNDERSIGNED OF THE

Form with fields for County Name (Pima), Name (Gacy Smith, President), and Company Name (Coyetano, Inc.).

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

FOR THE YEAR ENDING

Table with columns MONTH, DAY, YEAR and values 12, 31, 2009.

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.

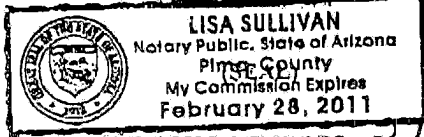
Signature of owner and telephone number 520-398-9815.

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 31st DAY OF

Form with fields for County Name (Pima), Month (March), and Year (2010).



MY COMMISSION EXPIRES 2/28/2011

Signature of Notary Public

COMPANY NAME \_\_\_\_\_

YEAR ENDING 12/31/2009

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>11,834</u>
Estimated or Actual Federal Tax Liability	<u>4,775</u>

State Taxable Income Reported	<u>12,715</u>
Estimated or Actual State Tax Liability	<u>886</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>—</u>
Amount of Gross-Up Tax Collected	<u>—</u>
Total Grossed-Up Contributions/Advances	<u>—</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

*[Signature]*  
SIGNATURE

3/31/10  
DATE

GARY SMYTH  
PRINTED NAME

President  
TITLE

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

RECEIVED JUN 14 2010 ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

Form with fields: COUNTY OF (COUNTY NAME) Pima, NAME (OWNER OR OFFICIAL) TITLE Gary Smyth, President, COMPANY NAME Cayetano, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Table with columns: MONTH 12, DAY 31, YEAR 2009

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 REQUIREMENT 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 CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$) \$ 109949

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 6448 IN SALES TAXES BILLED, OR COLLECTED)

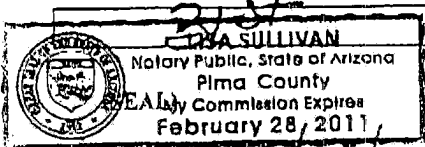
\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SIGNATURE OF OWNER OR OFFICIAL [Signature] TELEPHONE NUMBER 520-398-9815

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME Pima, MONTH March, 2010

SIGNATURE OF NOTARY PUBLIC [Signature]

MY COMMISSION EXPIRES 2/28/2011

VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE Intrastate Revenues Only

RECEIVED

JUN 24 2010 ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

Form with fields: COUNTY OF (COUNTY NAME) Pima, NAME (OWNER OR OFFICIAL) Gary Smith, TITLE Pres., COMPANY NAME Capetano, Inc.

Form with fields: MONTH 12, DAY 31, YEAR 2009

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 40-401.01, 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 CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 108,744

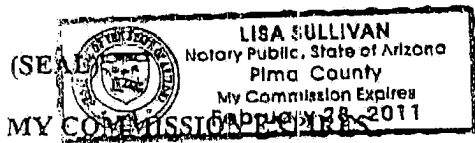
THE AMOUNT IN BOX AT LEFT INCLUDES \$ 6030 IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL [Signature] TELEPHONE NUMBER 520-398-9815

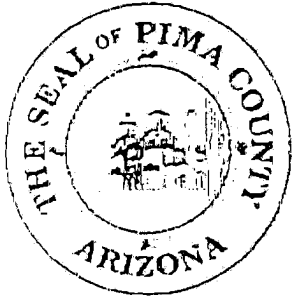
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY OF THIS 31st DAY OF

NOTARY PUBLIC NAME Lisa Sullivan, COUNTY NAME Pima, MONTH March, 2010



SIGNATURE OF NOTARY PUBLIC [Signature]

## Real Estate Property Tax Information



# Beth Ford

## Pima County Treasurer

Parcel: 914530000 4 Total Taxes: \$4,803.63 Tax Year: 2008 As of Date: 08/19/2009

**CURRENT STATUS**

	First Half	Second Half
Tax Due:	\$0.00	\$2,401.81
Date Paid:	09/23/2008	
Method:	CK	
Tax Paid:	\$2,401.82	\$0.00
Paid By:	01	
Trans Type:		
Interest Paid:	\$0.00	\$0.00

**PARCEL INFORMATION**

Area Code: 3000

**Taxpayer Name/Address:**

LAKEWOOD WATER CO

ATTN: CHRISTOPHER W HILL/PRESIDENT

PO BOX 733

AMADO AZ 85645-0733

**Property Address:****TAX DUE SUMMARY**

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$2,401.81	\$2,401.81
Interest:	\$0.00	\$128.10	\$128.10
	\$0.00	\$2,529.91	\$2,529.91
		NSF Fees	\$0.00
		Reclaimed Refunds	\$0.00
<b>TOTAL AMOUNT DUE</b>		<b>\$2,529.91</b>	

**Legal Description:**

TOTAL VALUE OF OPERATING PROPERTY

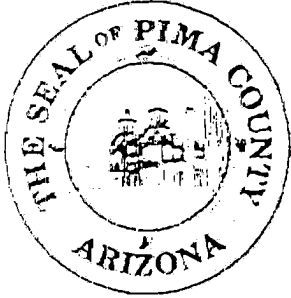
TAXPAYER GROUP NO 145

*pd 8/19/09, part of ch# 6143*

**HISTORY TAX ROLL CHANGE**

2007 \$5,298.13  
 2006 \$6,218.30  
 2005 \$6,960.55  
 2004 \$6,967.29  
 2003 \$7,359.66

Real Estate Property Tax Information



# Beth Ford Pima County Treasurer

Parcel: 30432420C 9 Total Taxes: \$254.92 Tax Year: 2008 As of Date: 08/19/2009

### CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$127.46
Date Paid:	09/23/2008	
Method:	CK	
Tax Paid:	\$127.46	\$0.00
Paid By:	01	
Trans Type:		
Interest Paid:	\$0.00	\$0.00

### PARCEL INFORMATION

Area Code: 3000

Taxpayer Name/Address:  
 CAYETANO INC DBA LAKEWOOD WATER CO  
 PO BOX 733  
 AMADO AZ 85645

Property Address:

### TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$127.46	\$127.46
Interest:	\$0.00	\$6.80	\$6.80
	\$0.00	\$134.26	\$134.26
		NSF Fees	\$0.00
		Reclaimed Refunds	\$0.00
<b>TOTAL AMOUNT DUE</b>			<b>\$134.26</b>

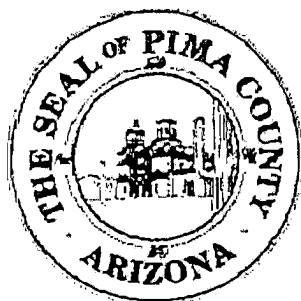
### Legal Description:

PTN E196' W639.36' N356.01' NW4 SE4 1.22 AC  
SEC 36-19-12

*pd 8/19/09 part of ch# 4143*

### HISTORY TAX ROLL CHANGE

2007 \$270.14  
 2006 \$310.17  
 2005 \$332.31  
 2004 \$337.63  
 2003 \$356.20



# Beth Ford Pima County Treasurer

Parcel: 30432420C 9 Total Taxes: \$248.36 Tax Year: 2009 As of Date: 03/31/2010

### CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$6.62
Date Paid:	02/10/2010	02/10/2010
Method:	CK	CK
Tax Paid:	\$124.18	\$117.56
Paid By:	01	01
Trans Type:		
Interest Paid:	\$6.62	\$0.00

### PARCEL INFORMATION

Area Code: 3000

#### Taxpayer Name/Address:

CAYETANO INC DBA LAKEWOOD WATER  
CO  
PO BOX 733  
AMADO AZ 85645

#### Property Address:

### TAX DUE SUMMARY

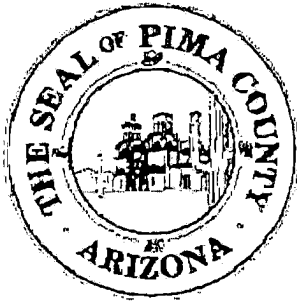
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$6.62	\$6.62
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$6.62	\$6.62
		NSF Fees	\$0.00
		Reclaimed Refunds	\$0.00
		<b>TOTAL AMOUNT DUE</b>	<b>\$6.62</b>

#### Legal Description:

PTN E196' W639.36' N356.01' NW4 SE4 1.22 AC  
SEC 36-19-12

### HISTORY TAX ROLL CHANGE:

2008 \$254.92  
2007 \$270.14  
2006 \$310.17  
2005 \$332.31  
2004 \$337.63



# Beth Ford Pima County Treasurer

Parcel: 914530000 4 Total Taxes: \$4,759.72 Tax Year: 2009 As of Date: 03/31/2010

CURRENT STATUS		
	First Half	Second Half
Tax Due:	\$0.00	\$126.93
Date Paid:	02/10/2010	02/10/2010
Method:	CK	CK
Tax Paid:	\$2,379.86	\$2,252.93
Paid By:	01	01
Trans Type:		
Interest Paid:	\$126.93	\$0.00

**PARCEL INFORMATION**

Area Code: 3000

Taxpayer Name/Address:  
LAKEWOOD WATER CO  
ATTN: GARY SMYTH  
PO BOX 14858  
TUCSON AZ 85732-4858

TAX DUE SUMMARY			
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$126.93	\$126.93
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$126.93	\$126.93
	NSF Fees		\$0.00
	Reclaimed Refunds		\$0.00
<b>TOTAL AMOUNT DUE</b>			<b>\$126.93</b>

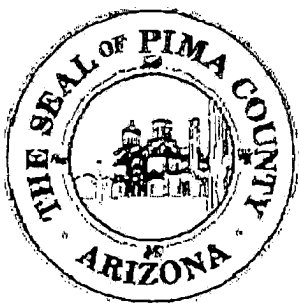
Property Address:

Legal Description:  
TOTAL VALUE OF OPERATING PROPERTY  
TAXPAYER GROUP NO 145

**HISTORY TAX ROLL CHANGE**

2008	\$4,803.63
2007	\$5,298.13
2006	\$6,218.30
2005	\$6,960.55
2004	\$6,967.29

*Paid ck # 0191  
2/31/2009  
\$4,759.72*



# Beth Ford Pima County Treasurer

Parcel: 304324320 3 Total Taxes: \$12.70 Tax Year: 2009 As of Date: 03/31/2010

## CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid: 02/10/2010	02/10/2010	
Method:	CK	CK
Tax Paid:	\$12.70	\$0.00
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.68	\$0.00

## PARCEL INFORMATION

Area Code: 3000

### Taxpayer Name/Address:

LAKWOOD WATER CO  
ATTN: GARY SMYTH  
PO BOX 14858  
TUCSON AZ 85732-4858

### Property Address:

## TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
		NSF Fees	\$0.00
		Reclaimed Refunds	\$0.00
		<b>TOTAL AMOUNT DUE</b>	<b>\$0.00</b>

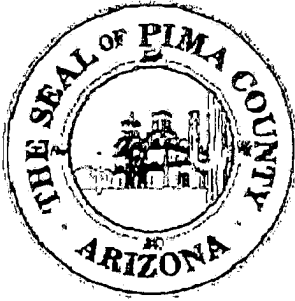
### Legal Description:

CTRL SLY PTN NE4 SE4 SE4 LYG N OF & ADJ  
TO  
ARIVACA RD .02 AC SEC 36-19-12  
TOTAL VALUE OF OPERATING PROPERTY  
TAXPAYER GROUP NO 145

## HISTORY TAX ROLL CHANGE

2008 \$13.63  
2007 \$15.07  
2006 \$17.77  
2005 \$19.34  
2004 \$19.66

*Paid ck # 6192  
12/31/2009  
\$12.70*



# Beth Ford Pima County Treasurer

Parcel: 304324330 4 Total Taxes: \$12.70 Tax Year: 2009 As of Date: 03/31/2010

### CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	02/10/2010	02/10/2010
Method:	CK	CK
Tax Paid:	\$12.70	\$0.00
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.68	\$0.00

### PARCEL INFORMATION

Area Code: 3000

Taxpayer Name/Address:  
LAKEWOOD WATER CO  
ATTN: GARY SMYTH  
PO BOX 14858  
TUCSON AZ 85732-4858

### Property Address:

### TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
		NSF Fees	\$0.00
		Reclaimed Refunds	\$0.00
		<b>TOTAL AMOUNT DUE</b>	<b>\$0.00</b>

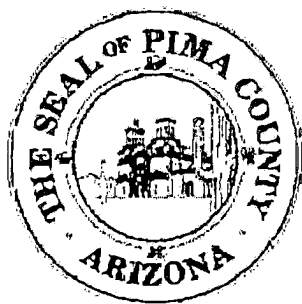
### Legal Description:

30' X 30' WELLSITE IN E CENT PTN OF SE4 SE4  
LYG  
ADJ TO NLY LINE OF ARIVACA RD .02 AC SEC  
36-19-12  
TOTAL VALUE OF OPERATING PROPERTY -  
TAXPAYER  
GROUP NO 145 (LAKEWOOD WATER CO)

### HISTORY TAX ROLL CHANGE

2008 \$13.63  
2007 \$15.07  
2006 \$17.77  
2005 \$19.34  
2004 \$19.66

*Paid ck # 6193  
12/31/2009  
\$12.70*



# Beth Ford Pima County Treasurer

Parcel: 30432461B 3 Total Taxes: \$9.23 Tax Year: 2009 As of Date: 03/31/2010

### CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$0.00
Date Paid:	02/10/2010	02/10/2010
Method:	CK	CK
Tax Paid:	\$9.23	\$0.00
Paid By:	01	01
Trans Type:		
Interest Paid:	\$0.49	\$0.00

### PARCEL INFORMATION

Area Code: 3000  
 Taxpayer Name/Address:  
 CAYETANO INC DBA LAKEWOOD WATER  
 CO  
 ATTN: CHRISTOPHER W HILL  
 PO BOX 733  
 AMADO AZ 85645

### TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
		NSF Fees	\$0.00
		Reclaimed Refunds	\$0.00
		<b>TOTAL AMOUNT DUE</b>	<b>\$0.00</b>

### Property Address:

28850 S NOGALES HY

### Legal Description:

PCL APPROX 25' X 35' IN SE4 SE4 SE4  
(WELLSITE) .02 AC SEC 36-19-12

### HISTORY TAX ROLL CHANGE

2008 \$9.45  
 2007 \$10.05  
 2006 \$11.56  
 2005 \$12.38  
 2004 \$12.57

*Paid ck # 6194  
 12/31/2009  
 \$ 9.23*