

**ANNUAL REPORT**

Of

Company Name: **Picacho Sewer Company**  
4720 East Cotton Gin Loop, Suite 130

Mailing Address: Phoenix AZ  
85040

Docket No.: **SW-03709A**  
For the Year Ended: **12/31/25**

**RECEIVED BY EMAIL**  
**5/15/2026, 1:42 PM**  
**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**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: **5/15/2026**

ARIZONA CORPORATION COMMISSION  
WASTEWATER UTILITY ANNUAL REPORT  
Picacho Sewer Company  
A Class ☐ Utility

For the Calendar Year Ended: 12/31/25

Primary Address: 

|                                      |         |        |         |
|--------------------------------------|---------|--------|---------|
| 4720 East Cotton Gin Loop, Suite 130 |         |        |         |
| City:                                | Phoenix | State: | Arizona |
| Zip Code:                            | 85040   |        |         |

Telephone Number: 

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|--|

Date of Original Organization of Utility: 

|      |
|------|
| 1998 |
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Person to whom correspondence should be addressed concerning this report:

Name: 

|               |
|---------------|
| Jill Schwartz |
|---------------|

  
Telephone No. : 

|              |
|--------------|
| 314-401-2761 |
|--------------|

  
Address: 

|                                      |         |        |         |
|--------------------------------------|---------|--------|---------|
| 4720 East Cotton Gin Loop, Suite 130 |         |        |         |
| City:                                | Phoenix | State: | Arizona |
| Zip Code:                            | 85040   |        |         |

  
Email: 

|                       |
|-----------------------|
| jschwartz@jwwater.net |
|-----------------------|

On-Site Manager

Name: 

|               |
|---------------|
| Justin Hanson |
|---------------|

  
Telephone No. : 

|              |
|--------------|
| 480-895-5009 |
|--------------|

  
Address: 

|                  |           |        |         |
|------------------|-----------|--------|---------|
| 24607 Price Road |           |        |         |
| City:            | Sun Lakes | State: | Arizona |
| Zip Code:        | 85248     |        |         |

  
Email: 

|                     |
|---------------------|
| jhanson@jwwater.net |
|---------------------|

Regulatory and Management Contact

Name: 

|               |
|---------------|
| Jill Schwartz |
|---------------|

  
Telephone No. : 

|              |
|--------------|
| 314-401-2761 |
|--------------|

  
Address: 

|                                      |         |        |         |
|--------------------------------------|---------|--------|---------|
| 4720 East Cotton Gin Loop, Suite 130 |         |        |         |
| City:                                | Phoenix | State: | Arizona |
| Zip Code:                            | 85040   |        |         |

  
Email: 

|                       |
|-----------------------|
| jschwartz@jwwater.net |
|-----------------------|

Regulatory Contact

Name: 

|                 |
|-----------------|
| Cherishe Barbee |
|-----------------|

  
Telephone No. : 

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|---|
| . |
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Address: 

|                                      |         |        |         |
|--------------------------------------|---------|--------|---------|
| 4720 East Cotton Gin Loop, Suite 130 |         |        |         |
| City:                                | Phoenix | State: | Arizona |
| Zip Code:                            | 85040   |        |         |

  
Email: 

|                     |
|---------------------|
| cbarbee@jwwater.net |
|---------------------|

NA

Name: 

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Telephone No. : 

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Address: 

|           |   |        |         |
|-----------|---|--------|---------|
| .         |   |        |         |
| City:     | . | State: | Arizona |
| Zip Code: | . |        |         |

  
Email: 

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Ownership: 

|                 |
|-----------------|
| "S" Corporation |
|-----------------|

Counties Served: 

|       |
|-------|
| Pinal |
|-------|

ARIZONA CORPORATION COMMISSION  
WASTEWATER UTILITY ANNUAL REPORT  
Picacho Sewer Company

|                                          |
|------------------------------------------|
| <b>Important changes during the year</b> |
|------------------------------------------|

|     |                                                                                                                                           |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------|
| N/A | 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.                                                                                 |
|     |                                                                                                                                           |

|     |                                                                                                                     |
|-----|---------------------------------------------------------------------------------------------------------------------|
| Yes | Has the company been notified by any other regulatory authorities during the year, that they are out of compliance? |
|     | If yes, please provide specific details in the box below.                                                           |
|     | ADEQ notified Picacho Sewer Company of deficiencies related to its Self Monitoring Report Form.                     |
|     |                                                                                                                     |

| 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                      | \$0                |
| 352                                   | Franchises                         | 0                            | 0                      | 0                        | 0                      | 0                        | 0                  |
| 353                                   | Land and Land Rights               | 0                            | 0                      | 0                        | 0                      | 0                        | 0                  |
| 354                                   | Structures and Improvements        | 181,507                      | 180,533                | 0                        | 362,040                | 91,184                   | 270,856            |
| 355                                   | Power Generation Equipment         | 36,110                       | 0                      | 0                        | 36,110                 | 8,214                    | 27,896             |
| 360                                   | Collections Wastewater - Force     | 3,508                        | 0                      | 0                        | 3,508                  | 254                      | 3,253              |
| 361                                   | Collections Wastewater - Gravity   | 5,202,487                    | 0                      | 0                        | 5,202,487              | 2,068,591                | 3,133,897          |
| 362                                   | Special Collecting Structures      | 0                            | 0                      | 0                        | 0                      | 0                        | 0                  |
| 363                                   | Services to Customers              | 1,538,651                    | 0                      | 0                        | 1,538,651              | 497,686                  | 1,040,965          |
| 364                                   | Flow Measuring Devices             | 0                            | 0                      | 0                        | 0                      | 0                        | 0                  |
| 365                                   | Flow Measuring Installations       | 0                            | 0                      | 0                        | 0                      | 0                        | 0                  |
| 366                                   | Reuse Services                     | 0                            | 0                      | 0                        | 0                      | 0                        | 0                  |
| 367                                   | Reuse Meters & Meter Installations | 0                            | 0                      | 0                        | 0                      | 0                        | 0                  |
| 370                                   | Receiving Wells                    | 322,875                      | 0                      | 0                        | 322,875                | 245,929                  | 76,946             |
| 371                                   | Pumping Equipment                  | 837,233                      | 592,090                | 0                        | 1,429,322              | 584,805                  | 844,518            |
| 374                                   | Reuse Distribution Reservoirs      | 0                            | 0                      | 0                        | 0                      | 0                        | 0                  |
| 375                                   | Reuse Trans. And Distr. Equipment  | 838                          | 0                      | 0                        | 838                    | 306                      | 532                |
| 380                                   | Treatment and Disposal Equipment   | 4,582,619                    | 64,922                 | 0                        | 4,647,541              | 3,059,566                | 1,587,975          |
| 381                                   | Plant Sewers                       | 0                            | 0                      | 0                        | 0                      | 0                        | 0                  |
| 382                                   | Outfall Sewer Lines                | 1,347,439                    | 0                      | 0                        | 1,347,439              | 985,563                  | 361,876            |
| 389                                   | Other Plant and Misc. Equipment    | 66,075                       | 0                      | 0                        | 66,075                 | (8,934)                  | 75,009             |
| 390                                   | Office Furniture and Equipment     | 1,835                        | 0                      | 0                        | 1,835                  | 420                      | 1,415              |
| 390.1                                 | Computer & Software                | 24,691                       | 1,843                  | 0                        | 26,534                 | 9,819                    | 16,716             |
| 391                                   | Transportation Equipment           | 25,845                       | 0                      | 0                        | 25,845                 | 10,812                   | 15,033             |
| 392                                   | Stores Equipment                   | 0                            | 0                      | 0                        | 0                      | 0                        | 0                  |
| 393                                   | Tools, Shop and Garage Equipment   | 13,842                       | 729                    | 0                        | 14,571                 | 2,303                    | 12,268             |
| 394                                   | Laboratory Equipment               | 22,473                       | 2,027                  | 0                        | 24,500                 | 4,315                    | 20,185             |
| 395                                   | Power Operated Equipment           | 0                            | 1,933                  | 0                        | 1,933                  | 48                       | 1,885              |
| 396                                   | Communication Equipment            | 41,875                       | 0                      | 0                        | 41,875                 | 3,882                    | 37,993             |
| 397                                   | Miscellaneous Equipment            | 19,245                       | 0                      | 0                        | 19,245                 | 8,937                    | 10,308             |
| 398                                   | Other Tangible Plant               | 0                            | 0                      | 0                        | 0                      | 0                        | 0                  |
|                                       | <b>Totals</b>                      | <b>\$14,269,147</b>          | <b>\$844,077</b>       | <b>\$0</b>               | <b>\$15,113,224</b>    | <b>\$7,573,700</b>       | <b>\$7,539,524</b> |

**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.

Picacho Sewer Company  
Annual Report  
Depreciation Expense for the Current Year (Wastewater)  
12/31/25

| Depreciation Expense for the Current Year (Wastewater) |                                    |                                 |                           |                             |                           |                                                |                             |                         |
|--------------------------------------------------------|------------------------------------|---------------------------------|---------------------------|-----------------------------|---------------------------|------------------------------------------------|-----------------------------|-------------------------|
| Account No.                                            | Description                        | Beginning Year<br>Original Cost | Current Year<br>Additions | Current Year<br>Retirements | Adjusted<br>Original Cost | Fully<br>Depreciated/Non-<br>depreciable Plant | Depreciation<br>Percentages | Depreciation<br>Expense |
| 351                                                    | Organization                       | \$0                             | \$0                       | \$0                         | \$0                       | \$0                                            | 4.00%                       | \$0                     |
| 352                                                    | Franchises                         | 0                               | 0                         | 0                           | 0                         | 0                                              | 4.00%                       | 0                       |
| 353                                                    | Land and Land Rights               | 0                               | 0                         | 0                           | 0                         | 0                                              | 4.00%                       | 0                       |
| 354                                                    | Structures and Improvements        | 181,507                         | 180,533                   | 0                           | 362,040                   | 0                                              | 4.00%                       | 10,871                  |
| 355                                                    | Power Generation Equipment         | 36,110                          | 0                         | 0                           | 36,110                    | 0                                              | 4.00%                       | 1,444                   |
| 360                                                    | Collections Wastewater - Force     | 3,508                           | 0                         | 0                           | 3,508                     | 0                                              | 4.00%                       | 140                     |
| 361                                                    | Collections Wastewater - Gravity   | 5,202,487                       | 0                         | 0                           | 5,202,487                 | 0                                              | 4.00%                       | 208,099                 |
| 362                                                    | Special Collecting Structures      | 0                               | 0                         | 0                           | 0                         | 0                                              | 4.00%                       | 0                       |
| 363                                                    | Services to Customers              | 1,538,651                       | 0                         | 0                           | 1,538,651                 | 0                                              | 4.00%                       | 61,546                  |
| 364                                                    | Flow Measuring Devices             | 0                               | 0                         | 0                           | 0                         | 0                                              | 4.00%                       | 0                       |
| 365                                                    | Flow Measuring Installations       | 0                               | 0                         | 0                           | 0                         | 0                                              | 4.00%                       | 0                       |
| 366                                                    | Reuse Services                     | 0                               | 0                         | 0                           | 0                         | 0                                              | 4.00%                       | 0                       |
| 367                                                    | Reuse Meters & Meter Installations | 0                               | 0                         | 0                           | 0                         | 0                                              | 4.00%                       | 0                       |
| 370                                                    | Receiving Wells                    | 322,875                         | 0                         | 0                           | 322,875                   | 0                                              | 4.00%                       | 12,915                  |
| 371                                                    | Pumping Equipment                  | 837,233                         | 592,090                   | 0                           | 1,429,322                 | 0                                              | 4.00%                       | 45,331                  |
| 374                                                    | Reuse Distribution Reservoirs      | 0                               | 0                         | 0                           | 0                         | 0                                              | 4.00%                       | 0                       |
| 375                                                    | Reuse Trans. And Distr. Equipment  | 838                             | 0                         | 0                           | 838                       | 0                                              | 4.00%                       | 34                      |
| 380                                                    | Treatment and Disposal Equipment   | 4,582,619                       | 64,922                    | 0                           | 4,647,541                 | 0                                              | 4.00%                       | 184,603                 |
| 381                                                    | Plant Sewers                       | 0                               | 0                         | 0                           | 0                         | 0                                              | 4.00%                       | 0                       |
| 382                                                    | Outfall Sewer Lines                | 1,347,439                       | 0                         | 0                           | 1,347,439                 | 0                                              | 4.00%                       | 53,898                  |
| 389                                                    | Other Plant and Misc. Equipment    | 66,075                          | 0                         | 0                           | 66,075                    | 0                                              | 4.00%                       | 2,643                   |
| 390                                                    | Office Furniture and Equipment     | 1,835                           | 0                         | 0                           | 1,835                     | 0                                              | 4.00%                       | 73                      |
| 390.1                                                  | Computer & Software                | 24,691                          | 1,843                     | 0                           | 26,534                    | 0                                              | 4.00%                       | 1,025                   |
| 391                                                    | Transportation Equipment           | 25,845                          | 0                         | 0                           | 25,845                    | 0                                              | 4.00%                       | 1,034                   |
| 392                                                    | Stores Equipment                   | 0                               | 0                         | 0                           | 0                         | 0                                              | 4.00%                       | 0                       |
| 393                                                    | Tools, Shop and Garage Equipment   | 13,842                          | 729                       | 0                           | 14,571                    | 0                                              | 4.00%                       | 568                     |
| 394                                                    | Laboratory Equipment               | 22,473                          | 2,027                     | 0                           | 24,500                    | 0                                              | 4.00%                       | 939                     |
| 395                                                    | Power Operated Equipment           | 0                               | 1,933                     | 0                           | 1,933                     | 0                                              | 4.00%                       | 39                      |
| 396                                                    | Communication Equipment            | 41,875                          | 0                         | 0                           | 41,875                    | 0                                              | 4.00%                       | 1,675                   |
| 397                                                    | Miscellaneous Equipment            | 19,245                          | 0                         | 0                           | 19,245                    | 0                                              | 4.00%                       | 770                     |
| 398                                                    | Other Tangible Plant               | 0                               | 0                         | 0                           | 0                         | 0                                              | 4.00%                       | 0                       |
|                                                        | <b>Subtotal</b>                    | \$14,269,147                    | \$844,077                 | \$0                         | \$15,113,224              | \$0                                            |                             | \$587,647               |

|                                                |                    |
|------------------------------------------------|--------------------|
| Contribution(s) in Aid of Construction (Gross) | \$2,527,744        |
| Less: Non Amortizable Contribution(s)          | 0                  |
| Fully Amortized Contribution(s)                | 0                  |
| Amortizable Contribution(s)                    | <b>\$2,527,744</b> |
| Times: Proposed Amortization Rate              | 3.89%              |
| <b>Amortization of CIAC</b>                    | \$98,286           |

**Less: Amortization of CIAC** \$98,286

**DEPRECIATION EXPENSE** \$489,361

**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.

Picacho Sewer Company  
Annual Report  
Balance Sheet Assets  
12/31/25

| Balance Sheet Assets |                                                  |  |                                           |                                  |
|----------------------|--------------------------------------------------|--|-------------------------------------------|----------------------------------|
|                      | Assets                                           |  | Balance at<br>Beginning of Year<br>(2025) | Balance at End of<br>Year (2025) |
| Account No.          | Current and Accrued Assets                       |  |                                           |                                  |
| 131                  | Cash                                             |  | \$152,861                                 | \$2,589,143                      |
| 132                  | Special Deposits                                 |  | 0                                         | 0                                |
| 134                  | Working Funds                                    |  | 0                                         | 0                                |
| 135                  | Temporary Cash Investments                       |  | 0                                         | 0                                |
| 141                  | Customer Accounts Receivable                     |  | 76,590                                    | 88,300                           |
| 142                  | Other Accounts Receivable                        |  | 0                                         | 4,414                            |
| 143                  | Accumulated Provision for Uncollectable Accounts |  | 0                                         | 0                                |
| 145                  | Accounts Receivable - Related Parties            |  | 92                                        | 0                                |
| 146                  | Notes Receivable from Associated Companies       |  | 0                                         | 0                                |
| 151                  | Plant Material and Supplies                      |  | 0                                         | 0                                |
| 162                  | Prepayments                                      |  | 1,687                                     | (0)                              |
| 173                  | Accrued Utility Revenue                          |  | 0                                         | 0                                |
| 174                  | Miscellaneous Current and Accrued Assets         |  | 0                                         | 0                                |
| 181                  | Unamortized Debt Discounts                       |  | 0                                         | 0                                |
|                      | <b>Total Current and Accrued Assets</b>          |  | <b>\$231,230</b>                          | <b>\$2,681,857</b>               |
|                      |                                                  |  |                                           |                                  |
|                      | <b>Deferred Debits</b>                           |  |                                           |                                  |
| 186.1                | Deferred Rate Case Expense                       |  | \$0                                       | \$0                              |
|                      | <b>Total Deferred Debits</b>                     |  | <b>\$0</b>                                | <b>\$0</b>                       |
|                      |                                                  |  |                                           |                                  |
|                      | <b>Fixed Assets</b>                              |  |                                           |                                  |
| 101                  | Utility Plant in Service*                        |  | \$14,269,147                              | \$15,113,224                     |
| 103                  | Property Held for Future Use                     |  | 0                                         | 0                                |
| 105                  | Construction Work in Progress                    |  | 1,210,811                                 | 3,697,512                        |
| 108                  | Accumulated Depreciation (enter as negative)*    |  | (6,976,522)                               | (7,573,700)                      |
| 121                  | Non-Utility Property                             |  | 0                                         | 0                                |
| 122                  | Accumulated Depreciation - Non Utility           |  | 0                                         | 0                                |
|                      | <b>Total Fixed Assets</b>                        |  | <b>\$8,503,435</b>                        | <b>\$11,237,036</b>              |
|                      | <b>Total Assets</b>                              |  | <b>\$8,734,665</b>                        | <b>\$13,918,893</b>              |

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

Picacho Sewer Company  
Annual Report  
Balance Sheet Liabilities and Owners Equity

| Balance Sheet Liabilities and Owners Equity |                                                   |  |                                        |                                  |
|---------------------------------------------|---------------------------------------------------|--|----------------------------------------|----------------------------------|
|                                             | Liabilities                                       |  | Balance at Beginning<br>of Year (2025) | Balance at End of<br>Year (2025) |
| <b>Account No.</b>                          | <b>Current Liabilities</b>                        |  |                                        |                                  |
| 231                                         | Accounts Payable                                  |  | \$67,754                               | \$104,795                        |
| 232                                         | Notes Payable (Current Portion)                   |  | 0                                      | 0                                |
| 233                                         | Accounts Payable - Related Party                  |  | 16,750                                 | 0                                |
| 234                                         | Notes Payable to Associated Companies             |  | 21,321                                 | 396,893                          |
| 235                                         | Customer Deposits                                 |  | 0                                      | 0                                |
| 236                                         | Accrued Taxes                                     |  | 20,889                                 | 3,054                            |
| 237                                         | Accrued Interest                                  |  | 0                                      | 0                                |
| 241                                         | Miscellaneous Current and Accrued Liabilities     |  | 7,845                                  | (81)                             |
| 253                                         | Other Deferred Credits                            |  | 5,050                                  | 7,916                            |
|                                             | <b>Total Current Liabilities</b>                  |  | <b>\$139,609</b>                       | <b>\$512,577</b>                 |
|                                             |                                                   |  |                                        |                                  |
|                                             | <b>Long Term Debt</b>                             |  |                                        |                                  |
| 224                                         | Long Term Debt (Notes and Bonds)                  |  | \$0                                    | \$0                              |
|                                             | <b>Total Long Term Debt</b>                       |  | <b>\$0</b>                             | <b>\$0</b>                       |
|                                             |                                                   |  |                                        |                                  |
|                                             | <b>Deferred Credits</b>                           |  |                                        |                                  |
| 252                                         | Advances in Aid of Construction                   |  | \$0                                    | \$1,186,008                      |
| 255                                         | Accumulated Deferred Investment Tax Credits       |  | 0                                      | 0                                |
| 271                                         | Contributions in Aid of Construction              |  | 0                                      | 2,527,744                        |
| 272                                         | Less: Amortization of Contributions               |  | 0                                      | 0                                |
| 281                                         | Accumulated Deferred Income Tax                   |  | 0                                      | 0                                |
|                                             | <b>Total Deferred Credits</b>                     |  | <b>\$0</b>                             | <b>\$3,713,752</b>               |
|                                             | <b>Total Liabilities</b>                          |  | <b>\$139,609</b>                       | <b>\$4,226,329</b>               |
|                                             |                                                   |  |                                        |                                  |
|                                             | <b>Capital Accounts</b>                           |  |                                        |                                  |
| 201                                         | Common Stock Issued                               |  | \$2,750,000                            | \$2,750,000                      |
| 211                                         | Other Paid-In Capital                             |  | 11,889,995                             | 13,749,995                       |
| 215                                         | Retained Earnings                                 |  | (6,044,939)                            | (6,807,431)                      |
| 218                                         | Proprietary Capital (Sole Props and Partnerships) |  | 0                                      | 0                                |
|                                             | <b>Total Capital</b>                              |  | <b>\$8,595,056</b>                     | <b>\$9,692,564</b>               |
|                                             | <b>Total Liabilities and Capital</b>              |  | <b>\$8,734,665</b>                     | <b>\$13,918,893</b>              |

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

| Wastewater Comparative Income Statement |                                           |                              |                           |
|-----------------------------------------|-------------------------------------------|------------------------------|---------------------------|
| Account No.                             | Calendar Year                             | Current Year<br>01/01/2025 - | Last Year<br>01/01/2024 - |
|                                         | <b>Operating Revenue</b>                  |                              |                           |
| 521                                     | Flat Rate Revenues                        | \$933,072                    | \$916,032                 |
| 522                                     | Measured Revenues                         | 35,662                       | 15,022                    |
| 534                                     | Rents from Wastewater Property            | 0                            | 0                         |
| 536                                     | Other Wastewater Revenues                 | 5,618                        | 4,555                     |
|                                         | <b>Total Revenues</b>                     | <b>\$974,352</b>             | <b>\$935,609</b>          |
|                                         |                                           |                              |                           |
|                                         | <b>Operating Expenses</b>                 |                              |                           |
| 701                                     | Salaries and Wages                        | \$205,761                    | \$291,494                 |
| 703                                     | Salaries and Wages - Officers             | \$0                          | \$4,931                   |
| 704                                     | Employee Pensions and Benefits            | 52,750                       | 47,978                    |
| 710                                     | Purchased Wastewater Treatment            | 0                            | 0                         |
| 711                                     | Sludge Removal Expense                    | 188,324                      | 94,887                    |
| 715                                     | Purchased Power                           | 51,005                       | 55,283                    |
| 716                                     | Fuel for Power Production                 | 0                            | 0                         |
| 718                                     | Chemicals                                 | 1,910                        | 1,821                     |
| 720                                     | Materials and Supplies                    | 8,667                        | 0                         |
| 720.1                                   | Repairs and Maintenance                   | 54,927                       | 48,219                    |
| 720.2                                   | Office Supplies and Expense               | 28,273                       | 0                         |
| 721                                     | Office Expense                            | 0                            | 34,990                    |
| 731                                     | Contractual Services -Engineering         | 0                            | 0                         |
| 732                                     | Contractual Services - Accounting         | 32,744                       | 550                       |
| 733                                     | Contractual Services - Legal              | 57,084                       | 0                         |
| 734                                     | Contractual Services - Management Fees    | 56,187                       | 0                         |
| 735                                     | Contractual Services - Testing            | 32,012                       | 35,037                    |
| 736                                     | Contractual Services - Other              | 151,149                      | 13,385                    |
| 740                                     | Rents - Building                          | 0                            | 0                         |
| 742                                     | Rents - Equipment                         | 42,702                       | 39,050                    |
| 750                                     | Transportation Expenses                   | 12,945                       | 19,511                    |
| 756                                     | Insurance - Vehicle                       | 0                            | 3,754                     |
| 757                                     | Insurance - General Liability             | 46,206                       | 28,596                    |
| 758                                     | Insurance - Worker's Compensation         | 0                            | 0                         |
| 759                                     | Insurance - Other                         | 0                            | 0                         |
| 760                                     | Advertising Expense                       | 0                            | 0                         |
| 766                                     | Regulatory Commission Expense - Rate Case | 0                            | 0                         |
| 767                                     | Regulatory Commission Expense - Other     | 0                            | 0                         |
| 770                                     | Bad Debt Expense                          | 370                          | 233                       |
| 775                                     | Miscellaneous Expense                     | 12,410                       | 5,584                     |
| 403                                     | Depreciation Expense (From Schedule AR4)  | 489,361                      | 537,008                   |
| 407.4                                   | Amortization of Regulatory Asset          | 0                            | 0                         |
| 407.5                                   | Amortization of Regulatory Liability      | 0                            | 0                         |
| 408                                     | Taxes Other Than Income                   | 3,778                        | 20,287                    |
| 408.11                                  | Property Taxes                            | 38,283                       | 36,817                    |
| 408.12                                  | Payroll Taxes                             | 16,104                       | 14,144                    |
| 409                                     | Income Taxes                              | 49,227                       | 0                         |
| 434                                     | Rate Case Adjustments                     | 0                            | 0                         |
|                                         | <b>Total Operating Expenses</b>           | <b>\$1,632,178</b>           | <b>\$1,333,559</b>        |
|                                         |                                           |                              |                           |
|                                         | <b>Operating Income / (Loss)</b>          | <b>(\$657,826)</b>           | <b>(\$397,950)</b>        |
|                                         |                                           |                              |                           |
|                                         | <b>Other Income / (Expense)</b>           |                              |                           |
| 414                                     | Gain (Loss) on Dispositions               | \$0                          | \$0                       |
| 419                                     | Interest and Dividend Income              | 0                            | 0                         |
| 421                                     | Non-Utility Income                        | 15                           | 166,573                   |
| 426                                     | Miscellaneous Non-Utility (Expense)       | 0                            | (308)                     |
| 427                                     | Interest (Expense)                        | 0                            | (2,789)                   |
|                                         | <b>Total Other Income / (Expense)</b>     | <b>\$15</b>                  | <b>\$163,475</b>          |
|                                         |                                           |                              |                           |
|                                         | <b>Net Income / (Loss)</b>                | <b>(\$657,811)</b>           | <b>(\$234,475)</b>        |

**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.

**Full time equivalent employees**

|                      | Direct Company | Allocated | Outside service | Total |
|----------------------|----------------|-----------|-----------------|-------|
| President            | 0.0            | 0.1       | 0.0             | 0.1   |
| Vice-president       | 0.0            | 0.0       | 0.0             | 0.0   |
| Manager              | 0.0            | 0.0       | 0.0             | 0.0   |
| Engineering Staff    | 0.0            | 0.0       | 0.0             | 0.0   |
| System Operator(s)   | 3.6            | 0.1       | 0.0             | 3.6   |
| Customer Service     | 0.0            | 0.4       | 0.0             | 0.4   |
| Accounting           | 0.0            | 0.3       | 0.0             | 0.3   |
| Business Office      | 0.0            | 0.0       | 0.0             | 0.0   |
| Rates Department     | 0.0            | 0.2       | 0.0             | 0.2   |
| Administrative Staff | 0.0            | 0.1       | 0.0             | 0.1   |
| Other                | 0.0            | 0.3       | 0.0             | 0.3   |
| <b>Total</b>         | 3.6            | 1.3       | 0.0             | 4.8   |

**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.

Picacho Sewer Company  
Annual Report  
Supplemental Financial Data (Long-Term Debt)  
12/31/25

| Supplemental Financial Data (Long-Term Debt) |         |         |         |         |
|----------------------------------------------|---------|---------|---------|---------|
|                                              | Loan #1 | Loan #2 | Loan #3 | Loan #4 |
| Date Issued                                  | NA      | NA      | NA      | NA      |
| Source of Loan                               | NA      | NA      | NA      | NA      |
| ACC Decision No.                             | NA      | NA      | NA      | NA      |
| Reason for Loan                              | NA      | NA      | NA      | NA      |
| Dollar Amt. Issued                           | NA      | NA      | NA      | NA      |
| Amount Outstanding                           | NA      | NA      | NA      | NA      |
| Date of Maturity                             | NA      | NA      | NA      | NA      |
| Interest Rate                                | NA      | NA      | NA      | NA      |
| Current Year Interest                        | NA      | NA      | NA      | NA      |
| Current Year Principal                       | NA      | NA      | NA      | NA      |

|                                         |    |
|-----------------------------------------|----|
| Meter Deposit Balance at Test Year End: | NA |
|-----------------------------------------|----|

|                                               |    |
|-----------------------------------------------|----|
| Meter Deposits Refunded During the Test Year: | NA |
|-----------------------------------------------|----|

|                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><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></b></p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| Wastewater Utility Plant Description         |                       |  |
|----------------------------------------------|-----------------------|--|
| Name of System:                              | Picacho Sewer Company |  |
| Wastewater Inventory Number (if applicable): | none                  |  |
| Type of Treatment                            | other                 |  |
| Design Capacity of Plant (Gallons per day)   | 250,000               |  |

| LIFT STATION FACILITIES |                   |                     |                               |                          |                  |
|-------------------------|-------------------|---------------------|-------------------------------|--------------------------|------------------|
| Location                | Quantity of Pumps | Horsepower Per Pump | Rated Capacity Per Pump (GPM) | Wet Well Capacity (gals) | Year Constructed |
| 7135 S Robson Blvd      | 2                 | 15                  | 600                           | 12566                    | 2006             |
| 5751 N Robson Blvd      | 2                 | 10                  | 300                           | 10376                    | 2008             |
| 4998 N Toltec Rd        | 2                 | 3                   | 200                           | 6342                     | 2015             |
| 5758 Luna Dr.           | 2                 | 4                   | 200                           | n/a                      | 2021             |
| 4145 N. Chippewa Dr.    | 2                 | 3                   | 160                           | n/a                      | 2024             |
|                         |                   |                     |                               |                          |                  |
|                         |                   |                     |                               |                          |                  |
|                         |                   |                     |                               |                          |                  |
|                         |                   |                     |                               |                          |                  |
|                         |                   |                     |                               |                          |                  |
|                         |                   |                     |                               |                          |                  |
|                         |                   |                     |                               |                          |                  |
|                         |                   |                     |                               |                          |                  |
|                         |                   |                     |                               |                          |                  |
|                         |                   |                     |                               |                          |                  |
|                         |                   |                     |                               |                          |                  |
|                         |                   |                     |                               |                          |                  |

| FORCE MAINS |          |               |
|-------------|----------|---------------|
| Size        | Material | Length (Feet) |
| 4 inch      | PVC      | 3,183         |
| 6 inch      | PVC      | 600           |
| 8 inch      | PVC      | 6,031         |
| 10 inch     | PVC      | 940           |
| 15 inch     | PVC      | 3,720         |
| 18 inch     | PVC      | 2,940         |
|             |          |               |
|             |          |               |
|             |          |               |
|             |          |               |

| MANHOLES |          |
|----------|----------|
| Type     | Quantity |
| Standard | 384      |
| Drop     |          |

| CLEANOUTS |
|-----------|
| Quantity  |
| 59        |
|           |
|           |
|           |

**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.

[illegible]

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

|                                                                                       |                                                                                 |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>                                      | Digester and liquid digester sludge hauled to Pima Utility for final processing |
| <b>DISINFECTION EQUIPMENT</b><br>(Chlorinator, Ultra-Violet, Etc.)                    | Ultra-Violet                                                                    |
| <b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)           | Dual media filter                                                               |
| <b>STRUCTURES</b><br>(Buildings, Fences, Etc.)                                        | Office building, electrical building                                            |
| <b>Other</b> (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.) | Generators, meters, SCADA, Misc Tools                                           |

**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.

Picacho Sewer Company  
Annual Report  
Wastewater Flows  
12/31/25

| Wastewater Flows |                    |                                     |                         |                                      |                                    |
|------------------|--------------------|-------------------------------------|-------------------------|--------------------------------------|------------------------------------|
| Month            | Number of Services | Total Monthly Sewage Flow (Gallons) | Sewage Flow on Peak Day | Purchased Power Expense <sup>1</sup> | Purchased Power (kWh) <sup>2</sup> |
| January          | 1,843              | 4,672,000                           | 186,000                 | \$4,175                              | 24,339                             |
| February         | 1,844              | 4,519,000                           | 191,000                 | 4,444                                | 25,963                             |
| March            | 1,849              | 4,881,000                           | 184,000                 | 4,162                                | 24,127                             |
| April            | 1,851              | 4,343,000                           | 179,000                 | 4,839                                | 28,153                             |
| May              | 1,858              | 3,586,000                           | 138,000                 | 4,034                                | 23,660                             |
| June             | 1,866              | 2,998,000                           | 176,000                 | 4,090                                | 24,018                             |
| July             | 1,874              | 2,780,000                           | 117,000                 | 3,863                                | 22,398                             |
| August           | 1,881              | 2,976,000                           | 125,000                 | 4,251                                | 24,552                             |
| September        | 1,889              | 3,069,000                           | 125,000                 | 4,182                                | 24,369                             |
| October          | 1,896              | 3,908,000                           | 170,000                 | 4,183                                | 24,168                             |
| November         | 1,888              | 4,358,000                           | 189,000                 | 4,508                                | 26,147                             |
| December         | 1,893              | 4,487,000                           | 174,000                 | 4,274                                | 24,900                             |
|                  | <b>Totals</b>      | <b>46,577,000</b>                   | <b>1,954,000</b>        | <b>\$51,005</b>                      | <b>296,794</b>                     |

Provide the following information as applicable per wastewater system:

|                                               |                               |
|-----------------------------------------------|-------------------------------|
| Method of Effluent Disposal                   | Reuse                         |
| Groundwater Permit Number                     | 71-211286.000, 73-211286.000  |
| ADEQ Aquifer Protection Permit ("APP") Number | 56-0013530000                 |
| ADEQ Reuse Permit Number                      | R-100587                      |
| EPA NPDES Permit Number                       | n/a                           |
| APP Effluent Treatment Requirement (Class)?   | B+                            |
| Permitted Flow Rate                           | 250,000/day                   |
| Permitted Organic Capacity                    | n/a                           |
| Hydraulic Capacity                            | 250,000/day                   |
| Type of Biological Treatment                  | Sequenced Batch Reactor (SBR) |

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

N/A

**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.

Picacho Sewer Company  
Annual Report  
Utility Shutoffs / Disconnects  
12/31/25

| Utility Shutoffs / Disconnects               |                       |
|----------------------------------------------|-----------------------|
| Name of System:                              | Picacho Sewer Company |
| Wastewater Inventory Number (if applicable): | none                  |

| Month        | Termination without<br>Notice R14-2-609.B | Termination with<br>Notice R14-2-<br>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        |
| <b>Total</b> | <b>0</b>                                  | <b>0</b>                                   | <b>0</b> |

**Other (description):**

|   |
|---|
| 0 |
|---|

**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.

| Property Taxes |  |
|----------------|--|
|----------------|--|

|                                                                    |
|--------------------------------------------------------------------|
| Amount of actual property taxes paid during Calendar Year 2025 was |
|--------------------------------------------------------------------|

|          |
|----------|
| \$38,283 |
|----------|

|                                         |
|-----------------------------------------|
| If no property taxes paid, explain why. |
|-----------------------------------------|

|   |
|---|
| 0 |
|---|

|                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Instructions:</b> 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. |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Verification and Certification (Taxes)**

**Verification:** State of Arizona I, the undersigned of the  
(state name)

County of (county name): Pinal  
Name (owner or official) title: Jason Williamson  
Company name: Picacho Sewer Company

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

FOR THE YEAR ENDING: 12/31/25

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.

**Certification:** I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I CERTIFY THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

  
\_\_\_\_\_  
signature of owner/official

720-949-1347  
telephone no.