

ANNUAL REPORT

Of

Company Name: Appaloosa Water Company
PO Box 3150

Mailing Address: Chino Valley AZ
86323

Docket No.: W-03443A
For the Year Ended: 12/31/22

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date: 6/9/2023

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

For the Calendar Year Ended: 12/31/22

Primary Address:

PO Box 3150

City:

Chino Valley

 State:

Arizona

 Zip Code:

86323

Telephone Number:

928-636-1700

Date of Original Organization of Utility:

6/19/1995

Person to whom correspondence should be addressed concerning this report:

Name:

Tony Cordovana

Telephone No. :

928-925-7593

Address:

PO Box 3150

City:

Chino Valley

 State:

Arizona

 Zip Code:

86323

Email:

tcordo1@gmail.com
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On-Site Manager
Name:

Tony Cordovana

Telephone No. :

928-925-7593

Address:

PO Box 3150

City:

Chino Valley

 State:

Arizona

 Zip Code:

86323

Email:

tcordo1@gmail.com
--

Management Contact
Name:

Tony Cordovana

Telephone No. :

928-925-7593

Address:

PO Box 3150

City:

Chino Valley

 State:

Arizona

 Zip Code:

86323

Email:

tcordo1@gmail.com
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Owner
Name:

Joe Cordovana

Telephone No. :

928-237-6128

Address:

PO Box 3150

City:

Chino Valley

 State:

Arizona

 Zip Code:

86323

Email:

joc@windmillhouseaz.com
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Regulatory and Management Contact
Name:

Tony Cordovana

Telephone No. :

928-925-7593

Address:

PO Box 3150

City:

Chino Valley

 State:

Arizona

 Zip Code:

86323

Email:

tcordo1@gmail.com
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Ownership:

"C" Corporation

Counties Served:

Yavapai

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Appaloosa Water Company

Important changes during the year
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No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	NONE

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	NONE

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$264	\$0	\$0	\$264	\$0	\$264
302	Franchises	2,309	0	0	2,309	0	2,309
303	Land and Land Rights	3,161	0	0	3,161	0	3,161
304	Structures and Improvements	67,051	0	0	67,051	0	67,051
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	289,281	0	0	289,281	0	289,281
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	131,994	286,464	0	418,458	0	418,458
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	148,250	0	0	148,250	0	148,250
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	25,635	0	0	25,635	0	25,635
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	111,216	0	0	111,216	111,216	(0)
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	760,558	0	0	760,558	760,558	0
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	30,875	0	0	30,875	30,875	(0)
335	Hydrants	48,876	0	0	48,876	48,876	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	1,241,341	(1,241,341)
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	12,889	0	0	12,889	0	12,889
	Totals	\$1,632,358	\$286,464	\$0	\$1,918,822	\$2,192,866	(\$274,044)

Appaloosa Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/22

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$264	\$0	\$0	\$264	\$264	\$0	0.00%	\$0
302	Franchises	2,309	0	0	2,309	2,309	0	0.00%	0
303	Land and Land Rights	3,161	0	0	3,161	3,161	0	0.00%	0
304	Structures and Improvements	67,051	0	0	67,051	0	67,051	3.33%	2,233
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	289,281	0	0	289,281	0	289,281	3.33%	9,633
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	131,994	286,464	0	418,458	131,994	286,464	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	148,250	0	0	148,250	0	148,250	3.33%	4,937
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	25,635	0	0	25,635	0	25,635	3.33%	854
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	111,216	0	0	111,216	0	111,216	2.22%	2,469
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	760,558	0	0	760,558	0	760,558	2.00%	15,211
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	30,875	0	0	30,875	0	30,875	8.33%	2,572
335	Hydrants	48,876	0	0	48,876	0	48,876	2.00%	978
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	6.67%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	12,889	0	0	12,889	0	12,889	0.00%	0
	Subtotal	\$1,632,358	\$286,464	\$0	\$1,918,822	\$137,728	\$1,781,094		\$38,886

Contribution(s) in Aid of Construction (Gross)	\$1,494,630
Less: Non Amortizable Contribution(s)	137,728
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$1,356,902
Times: Proposed Amortization Rate	2.18%
Amortization of CIAC	\$29,625

Less: Amortization of CIAC **\$29,625**

DEPRECIATION EXPENSE **\$9,261**

Appaloosa Water Company
Annual Report
Balance Sheet Assets
12/31/22

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets			
131	Cash		\$3,762	\$8,436
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		(15,178)	0
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		1,782	2,794
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		(\$9,634)	\$11,231
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,505,402	\$1,918,822
103	Property Held for Future Use		60,000	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(511,825)	(2,192,866)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$1,053,577	(\$274,044)
	Total Assets		\$1,043,943	(\$262,813)

*Note these items feed automatically from AR3 UPIS Page 4

Appaloosa Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities			
231	Accounts Payable		\$3,409	\$1,316
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		6,400	6,400
236	Accrued Taxes		1,691	1,817
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	1,537
	Total Current Liabilities		\$11,500	\$11,070
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$97,680	\$108,079
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	1,129,671
272	Less: Amortization of Contributions		1,240,943	(282,627)
281	Accumulated Deferred Income Tax		(282,627)	0
	Total Deferred Credits		\$958,316	\$847,044
	Total Liabilities		\$1,067,496	\$966,193
	Capital Accounts			
201	Common Stock Issued		\$2,000	\$2,000
211	Other Paid-In Capital		0	0
215	Retained Earnings		20,014	(705,380)
218	Proprietary Capital (Sole Props and Partnerships)		(45,567)	0
	Total Capital		(\$23,553)	(\$703,380)
	Total Liabilities and Capital		\$1,043,943	\$262,813

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

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	Operating Revenue		
461	Metered Water Revenue	\$192,571	\$170,885
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	Total Revenues	\$192,571	\$170,885
	Operating Expenses		
601	Salaries and Wages	\$96,154	\$102,352
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	8,796	9,100
618	Chemicals	0	0
620	Materials and Supplies	2,278	8,615
620.1	Repairs and Maintenance	1,630	4,652
620.2	Office Supplies and Expense	16,144	847
630	Contractual Services	332	537
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	2,187	3,947
634	Contractual Services - Management Fees	0	146
635	Contractual Services - Water Testing	1,332	883
636	Contractual Services - Other	7,720	7,320
640	Rents	0	0
641	Rental of Building/Real Property	7,800	7,200
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	5,911	5,161
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	9,261	4,121
408	Taxes Other Than Income	7,458	0
408.11	Property Taxes	3,502	10,300
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$170,506	\$165,181
	Operating Income / (Loss)	\$22,066	\$5,704
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	\$22,066	\$5,704

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0	1.0	0.0	2.0
Vice-president	1.0	1.0	0.0	2.0
Manager	1.0	1.0	0.0	2.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	1.0	0.0	1.0	2.0
Meter reader	1.0	0.0	1.0	2.0
Customer Service	1.0	1.0	0.0	2.0
Accounting	1.0	0.0	1.0	2.0
Business Office	1.0	1.0	0.0	2.0
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	1.0	1.0	0.0	2.0
Other	0.0	0.0	0.0	0.0
Total	9.0	6.0	3.0	18.0

Appaloosa Water Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/22

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	11/6/2007	6/18/2021	none	none
Source of Loan	WIFA	WIFA	none	none
ACC Decision No.	71236	77848	none	none
Reason for Loan	Arsenic Plant	Replace/Repair Equip	none	none
Dollar Amt. Issued	\$200,000	\$22,384	\$0	\$0
Amount Outstanding	\$84,825	\$22,384	\$0	\$0
Date of Maturity	11/1/2029	6/1/2041	none	none
Interest Rate	3.68%	2.76%	0.00%	0.00%
Current Year Interest	\$614	\$0	\$0	\$0
Current Year Principal	\$11,211	\$1,119	\$0	\$0

Meter Deposit Balance at Test Year End:	\$6,400
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Meter Deposits Refunded During the Test Year:	\$600
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Well and Water Usage

[illegible]

Name of system water delivered to:		
ADWR PCC Number:		
Source of water delivered to another system	NA	
Name of system water received from:		
ADWR PCC Number:		
Source of water received	NA	
Well registry 55# (55-XXXXXX):	0	

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense6	Purchased Power (kWh)7
January	822,510.00	822,510.00	0.00	0.00	0.00	\$421	2,715
February	965,410.00	965,410.00	0.00	0.00	0.00	713	3,163
March	1,029,100.00	1,029,100.00	0.00	0.00	0.00	546	3,007
April	2,095,620.00	2,095,620.00	0.00	0.00	0.00	657	4,528
May	2,641,730.00	2,641,730.00	0.00	0.00	0.00	838	6,454
June	3,083,980.00	3,083,980.00	0.00	0.00	0.00	1,070	8,211
July	2,503,810.00	2,503,810.00	0.00	0.00	0.00	1,057	7,960
August	1,659,780.00	1,659,780.00	0.00	0.00	0.00	747	5,246
September	2,109,320.00	2,109,320.00	0.00	0.00	0.00	809	5,568
October	1,710,820.00	1,710,820.00	0.00	0.00	0.00	1,020	5,007
November	1,247,800.00	1,247,800.00	0.00	0.00	0.00	655	3,001
December	734,520.00	734,520.00	0.00	0.00	0.00	545	2,936
Totals	20,604,400.00	20,604,400.00	0.00	0.00	0.00	\$9,077	57,796

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

N/A

- | | |
|---|---|
| 1 | Water withdrawn - Total gallons of water withdrawn from pumped sources. |
| 2 | Water sold - Total gallons from customer meters, and other sales such as construction water. |
| 3 | Water delivered (sold) to other systems - Total gallons of water delivered to other systems. |
| 4 | Water received (purchased) from other systems - Total gallons of water purchased/received from other systems. |
| 5 | Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft. |
| 6 | Enter the total purchased power costs for the power meters associated with this system. |
| 7 | Enter the total purchased kWh used by the power meters associated with this system. |

Water Utility Plant Description			
Name of the System:	APPALOOSA WATER COMPANY		
ADEQ Public Water System Number:	AZ0413208		
ADWR PCC Number:	91-000680.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	3,589
4.00	PVC	1,657
6.00	PVC	22,933
8.00	PVC	5,395
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

SERVICE LINES			
Material	Percent of system	Year installed	
PVC	100%	1995	
NA	0%	0	
NA	0%	0	
NA	0%	0	
NA	0%	0	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
20	150	2
100	1,000	1
0	0	0
0	0	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
65,000	Steel	1	1695
3,500	PVC	1	2010
0	na	0	0
0	na	0	0
0	na	0	0
0	na	0	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	188	50%	100%
1	48	50%	100%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	236	100%	100%

FIRE HYDRANTS	
Type	Quantity
Standard *	26
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,500	steel	1	1995
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	Arsenic treatment system and 5000 gal wash tank
STRUCTURES:	60x40 slump block wall plant w/ block wall surround and iron entrance gates. 20x10 slump block wall treatment plant. 65000 gal steel water storage tank. 550 gal water pressure tank.
OTHER:	misc. hoses, fixtures, meters, ladders, chemicals, chlorination system

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by
- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC

239

Method used:

(a)

Customer and Other Information	
Name of the System:	APPALOOSA WATER COMPANY
ADEQ Public Water System Number:	AZ0413208
ADWR PCC Number:	91-000680.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	236	0	0	0	0
February	236	0	0	0	0
March	236	0	0	0	0
April	236	0	0	0	0
May	236	0	0	0	0
June	236	0	0	0	0
July	236	0	0	0	0
August	236	0	0	0	0
September	236	0	0	0	0
October	236	0	0	0	0
November	236	0	0	0	0
December	236	0	0	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?
If yes, which AMA?

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

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

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

We will be looking to seek finance approval in 2023/24 to add a generator, replace all customer meters and add to the water storage.

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

Appaloosa Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	APPALOOSA WATER COMPANY
ADEQ Public Water System Number:	AZ0413208
ADWR PCC Number:	91-000680.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

N/A

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2022 was
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\$7,021

If no property taxes paid, explain why.

N/A

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Sworn Statement (Taxes)

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

County of (county name): Yavapai
Name (owner or official) title: Tony Cordovana, Vice President
Company name: Appaloosa Water Company

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

FOR THE YEAR ENDING: 12/31/22

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

[Signature]
signature of owner/official

928-925-7593

telephone no.

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

THIS

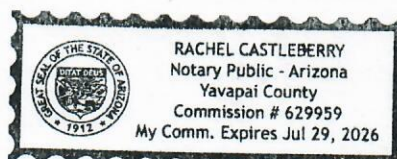
9th

DAY OF

Yavapai
(county name)

June 2023
(month) and (year)

MY COMMISSION EXPIRES



July 29 2026
(date)

[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name):

Yavapai

Name (owner or official) title:

Tony Cordovana, Vice President

Company name:

Appaloosa Water Company

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

FOR THE YEAR ENDING: 12/31/22

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$192,571

(The amount in the box above includes

\$18,062

in sales taxes
billed or collected)

signature of owner/official

928-925-7593

telephone no.

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

THIS

9th

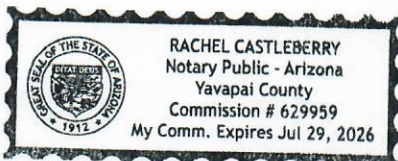
DAY OF

Yavapai
(county name)

June 2023
(month) and (year)

MY COMMISSION EXPIRES

July 29 2026
(date)



Rachel Castleberry
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Yavapai
Name (owner or official) title: Tony Cordovana, Vice President
Company name: Appaloosa Water Company

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

FOR THE YEAR ENDING: 12/31/22

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$192,571

(The amount in the box above includes

\$18,062 in sales taxes
billed or collected)

[Signature]
signature of owner/official

928-925-7593
telephone no.

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

Yavapai
(county name)

THIS

9th

DAY OF

June 2023
(month) and (year)

MY COMMISSION EXPIRES

July 29 2026
(date)



[Signature]
(signature of notary public)

Full Gross-up Method for Income Tax Statement of Certification

Verification:

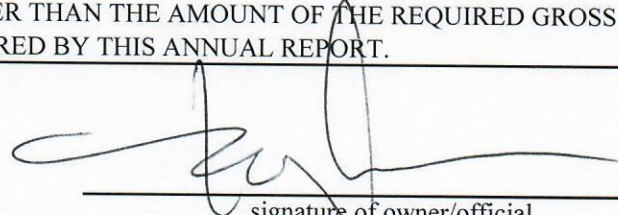
State of Arizona I, the undersigned of the
(state name)

County of (county name): Yavapai
Name (owner or official) title: Tony Cordovana, Vice President
Company name: Appaloosa Water Company

FOR THE YEAR ENDING: 12/31/22

Sworn Statement:

IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT.



signature of owner/official

928-925-7593
telephone no.

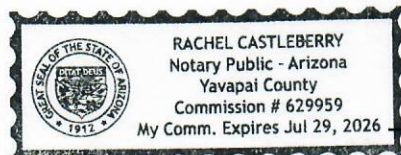
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

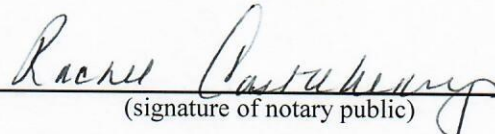
Yavapai
(county name)

THIS 9th DAY OF June 2023
(month) and (year)

MY COMMISSION EXPIRES

July 29 2024
(date)




(signature of notary public)