

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-01790A
For the Year Ended:

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:
Application Date:

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

For the Calendar Year Ended: 12/31/22

Primary Address:

PO BOX 85160		
City: TUCSON	State: ARIZONA	Zip Code: 85754

Telephone Number:

520-623-5172

Date of Original Organization of Utility:

11/6/1985

Person to whom correspondence should be addressed concerning this report:

Name:

DORINDA CHACON

Telephone No. :

520-623-5172

Address:

PO BOX 85160		
City: TUCSON	State: ARIZONA	Zip Code: 85754

Email:

INFO@SOUTHWESTERNUTILITY.COM

Name: <table border="1"><tr><td> </td></tr></table>					
Telephone No. : <table border="1"><tr><td> </td></tr></table>					
Address: <table border="1"><tr><td> </td></tr></table>					
City: <table border="1"><tr><td> </td></tr></table>		State: <table border="1"><tr><td> </td></tr></table>		Zip Code: <table border="1"><tr><td> </td></tr></table>	
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Email: <table border="1"><tr><td> </td></tr></table>					

Ownership:

"S" Corporation

Counties Served:

PIMA

Important changes during the year

NO	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
If yes, please provide specific details in the box below.	
NA	

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.	
NA	

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	\$29,256	\$0	\$0	\$29,256	\$29,256	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	51,700	0	0	51,700	0	51,700
304	Structures and Improvements	0	0	0	0	0	0
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	198,612	754	0	199,366	171,517	27,849
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	176,676	0	0	176,676	175,587	1,089
320	Water Treatment Equipment	31,727	0	0	31,727	19,756	11,971
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	587,304	0	0	587,304	621,875	(34,571)
330.1	Storage Tanks	0	0	0	0	0	0
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	5,841,036	0	0	5,841,036	4,266,771	1,574,265
333	Services	9,819	28,647	0	38,466	2,540	35,926
334	Meters and Meter Installations	283,642	0	0	283,642	208,563	75,079
335	Hydrants	1,743	0	0	1,743	75	1,668
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	250	0	0	250	250	0
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	402	0	0	402	170	232
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	0	0	0	0	0	0
	Totals	\$7,212,167	\$29,401	\$0	\$7,241,568	\$5,496,360	\$1,745,208

Saguaro 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	\$29,256	\$0	\$0	\$29,256	\$29,256	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	51,700	0	0	51,700	51,700	0	0.00%	0
304	Structures and Improvements	0	0	0	0	0	0	0.00%	0
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	198,612	754	0	199,366	8,928	190,438	5.00%	9,503
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	176,676	0	0	176,676	40,459	136,217	5.00%	6,811
320	Water Treatment Equipment	31,727	0	0	31,727	25	31,702	5.00%	1,585
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	587,304	0	0	587,304	0	587,304	5.00%	29,365
330.1	Storage Tanks	0	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	5,841,036	0	0	5,841,036	192,062	5,648,974	5.00%	282,449
333	Services	9,819	28,647	0	38,466	1,176	37,290	5.00%	1,148
334	Meters and Meter Installations	283,642	0	0	283,642	4,462	279,180	5.00%	13,959
335	Hydrants	1,743	0	0	1,743	0	1,743	4.50%	78
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	250	0	0	250	250	0	5.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	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	402	0	0	402	0	402	5.00%	20
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	0	0	0	0	0	0	0.00%	0
	Subtotal	\$7,212,167	\$29,401	\$0	\$7,241,568	\$328,318	\$6,913,250		\$344,919

Contribution(s) in Aid of Construction (Gross)	\$4,502,396
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$4,502,396</u>
Times: Proposed Amortization Rate	5.00%
Amortization of CIAC	\$225,120

Less: Amortization of CIAC \$225,120

DEPRECIATION EXPENSE **\$119,799**

Saguaro 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		\$473,292	\$779,175
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		26,644	14,854
146	Notes Receivable from Associated Companies		259,500	281,146
151	Plant Material and Supplies		0	0
162	Prepayments		36,072	81,563
174	Miscellaneous Current and Accrued Assets		21,646	1,355
	Total Current and Accrued Assets		\$817,154	\$1,158,093
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$7,212,167	\$7,241,568
103	Property Held for Future Use		72,286	72,287
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(5,151,445)	(5,496,360)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$2,133,008	\$1,817,495
	Total Assets		\$2,950,162	\$2,975,588

*Note these items feed automatically from AR3 UPIS Page 4

Saguaro 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		\$27,877	\$30,906
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		10,626	9,077
236	Accrued Taxes		4,690	4,426
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$43,193	\$44,409
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		1,716,662	1,721,265
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		4,502,396	4,502,396
272	Less: Amortization of Contributions		(1,595,747)	(1,820,867)
281	Accumulated Deferred Income Tax		0	
	Total Deferred Credits		\$4,623,311	\$4,402,794
	Total Liabilites		\$4,666,504	\$4,447,203
	Capital Accounts			
201	Common Stock Issued		\$102,100	\$102,100
211	Other Paid-In Capital		281,327	291,655
215	Retained Earnings		(2,099,769)	(1,865,370)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$1,716,342)	(\$1,471,615)
	Total Liabilities and Capital		\$2,950,162	\$2,975,588

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

Saguaro Water Company
Annual Report
Water Comparative Income Statement
12/31/22

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	\$836,294	\$852,665
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	7,846	9,406
	Total Revenues	\$844,140	\$862,071
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	99,248	92,533
618	Chemicals	0	0
620	Materials and Supplies	2,170	8,604
620.1	Repairs and Maintenance	49,008	2,729
620.2	Office Supplies and Expense	2,068	1,798
630	Contractual Services	2,262	0
631	Contractual Services - Engineering	1,648	663
632	Contractual Services - Accounting	0	3,935
633	Contractual Services - Legal	3,938	1,899
634	Contractual Services - Management Fees	315,000	514,415
635	Contractual Services - Water Testing	4,087	1,648
636	Contractual Services - Other	2,990	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	2,454	2,233
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	5,545
675	Miscellaneous Expense	5,609	7,880
403	Depreciation Expense (From Schedule AR4)	119,799	118,650
408	Taxes Other Than Income	0	3,371
408.11	Property Taxes	0	34,965
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	32
	Total Operating Expenses	\$610,281	\$800,900
	Operating Income / (Loss)	\$233,859	\$61,171
	Other Income / (Expense)		
419	Interest and Dividend Income	\$14	\$0
421	Non-Utility Income	526	404
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$540	\$404
	Net Income / (Loss)	\$234,399	\$61,575

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.5	0.0	0.0	0.5
Vice-president	0.5	0.0	0.0	0.5
Manager	0.0	0.0	1.0	1.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	1.0	1.0
Meter reader	0.0	0.0	1.0	1.0
Customer Service	0.0	0.0	0.7	0.7
Accounting	0.0	0.0	0.2	0.2
Business Office	0.0	0.0	0.3	0.3
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	0.0	0.0	0.2	0.2
Other	0.0	0.0	0.0	0.0
Total	1.0	0.0	4.4	5.4

Saguaro 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	NA	NA	NA	NA
Source of Loan	0	0	0	0
ACC Decision No.	0	0	0	0
Reason for Loan	0	0	0	0
Dollar Amt. Issued	\$0	\$0	\$0	\$0
Amount Outstanding	\$0	\$0	\$0	\$0
Date of Maturity	NA	NA	NA	NA
Interest Rate	0.00%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$71,323
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Meter Deposits Refunded During the Test Year:	\$6,935
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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.

Water Utility Plant Description (Continued)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	CHLORINATOR
-----------------------------	-------------

STRUCTURES:	NA
--------------------	----

OTHER:	NA
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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

303

 Method used:

(a)

Customer and Other Information	
Name of the System:	SAGUARO WATER COMPANY
ADEQ Public Water System Number:	AZ0410177
ADWR PCC Number:	91-000467.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	1,284	0	0	0	0
February	1,277	0	0	0	0
March	1,282	0	0	0	0
April	1,288	0	0	0	0
May	1,286	0	0	0	0
June	1,300	0	0	0	0
July	1,299	0	0	0	0
August	1,301	0	0	0	0
September	1,305	0	0	0	0
October	1,308	0	0	0	0
November	1,303	0	0	0	0
December	1,307	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 (GCPCPD) 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.

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

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

Utility Shutoffs / Disconnects	
Name of the System:	SAGUARO WATER COMPANY
ADEQ Public Water System Number:	AZ0410177
ADWR PCC Number:	91-000467.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	8	0
March	0	4	0
April	0	0	0
May	0	5	0
June	0	5	0
July	0	2	0
August	0	0	0
September	0	11	0
October	0	11	0
November	0	0	0
December	0	0	0
Total	0	46	0

Other (description):

NA

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

Saguaro Water Company
Annual Report
Property Taxes
12/31/22

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2022 was	\$46,741
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If no property taxes paid, explain why. NA

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

Saguaro Water Company
Annual Report
Verification and Sworn Statement (Taxes)
12/31/22

Verification and Sworn Statement (Taxes)

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

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Saguaro 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.

[Handwritten Signature]
signature of owner/official

520-265-5350
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Cochise
(county name)
THIS 15 DAY OF May 2023
(month) and (year)

MY COMMISSION EXPIRES Oct 17 2023
(date)



[Handwritten Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

State of ARIZONA I, the undersigned of the
(state name)
County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Saguaro 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 (\$)
\$844,140
(The amount in the box above includes
\$52,562 in sales taxes
billed or collected)

[Signature]
signature of owner/official
520-265-5350
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Cochise
THIS 15 DAY OF May 2023
(month) and (year)

MY COMMISSION EXPIRES Oct 17 2023
(date)
[Signature]
(signature of notary public)



Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Saguaro 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 (\$)

\$844,140

(The amount in the box above includes

\$52,652 in sales taxes
billed or collected)



signature of owner/official

520-265-5350

telephone no.

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

(county name)

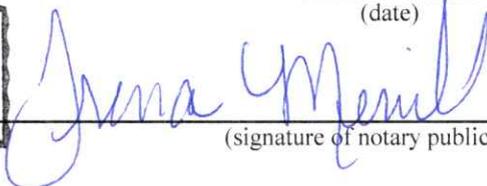
THIS 15

DAY OF May 2023

(month) and (year)

MY COMMISSION EXPIRES Oct 17 2023

(date)



(signature of notary public)

Saguaro Water Company
Annual Report
Full Gross-up Method for Income Tax Statement of Certification
12/31/22

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): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Saguaro 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.

[Handwritten Signature]

signature of owner/official

520-265-5350

telephone no.

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IN AND FOR THE COUNTY

Cochise

(county name)

THIS

15

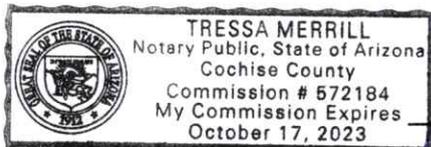
DAY OF

May 2023
(month) and (year)

MY COMMISSION EXPIRES

Oct 17 2023

(date)



[Handwritten Signature]

(signature of notary public)