

**ANNUAL REPORT**

Of

Company Name: Sandario Water Company, Inc.

6808 N Dysart Rd Ste 116

Mailing Address: Glendale AZ 85307

Docket No.: W-01831A

For the Year Ended: 12/31/22

**RECEIVED BY EMAIL**  
4/4/2023, 3:06 PM  
**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: rdelafuente@azcc.gov, mail or deliver the completed Annual Report to:

Arizona Corporation Commission  
Compliance Section - Utilities Division  
1200 West Washington Street  
Phoenix, Arizona 85007

Application Type: Original Filing

Application Date: 4/3/2023

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Sandario Water Company, Inc.  
A Class  Utility

For the Calendar Year Ended:

Primary Address:   
City:  State:  Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Name:   
Telephone No. :   
Address:   
City:  State:  Zip Code:   
Email:

Ownership:

Counties Served:

**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.
	N/A

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.
	N/A

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	\$650	\$0	\$0	\$650	\$0	\$650
302	Franchises	450	0	0	450	0	450
303	Land and Land Rights	1,850	0	0	1,850	0	1,850
304	Structures and Improvements	24,301	0	0	24,301	23,566	735
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	59,057	0	0	59,057	53,506	5,551
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	215,840	2,423	0	218,263	190,861	27,402
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	4,028	0	0	4,028	4,029	(1)
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	33,307	0	0	33,307	33,307	0
330.1	Storage Tanks	14,551	0	0	14,551	13,807	744
330.2	Pressure Tanks	16,702	0	0	16,702	10,241	6,461
331	Transmission and Distribution Mains	574,256	0	0	574,256	504,124	70,132
333	Services	72,744	1,563	0	74,307	50,809	23,498
334	Meters and Meter Installations	105,290	0	0	105,290	43,533	61,757
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	30,500	0	0	30,500	11,189	19,311
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	4,091	0	0	4,091	614	3,477
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$1,157,617</b>	<b>\$3,986</b>	<b>\$0</b>	<b>\$1,161,603</b>	<b>\$939,586</b>	<b>\$222,017</b>

Sandario Water Company, Inc.  
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	\$650	\$0	\$0	\$650	\$650	\$0	0.00%	\$0
302	Franchises	450	0	0	450	450	0	0.00%	0
303	Land and Land Rights	1,850	0	0	1,850	850	1,000	0.00%	0
304	Structures and Improvements	24,301	0	0	24,301	22,193	2,108	3.33%	70
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	59,057	0	0	59,057	32,542	26,515	3.33%	883
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	215,840	2,423	0	218,263	146,046	72,217	12.50%	8,876
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	4,028	0	0	4,028	4,028	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	33,307	0	0	33,307	33,307	0	2.22%	0
330.1	Storage Tanks	14,551	0	0	14,551	0	14,551	2.22%	323
330.2	Pressure Tanks	16,702	0	0	16,702	0	16,702	5.00%	835
331	Transmission and Distribution Mains	574,256	0	0	574,256	248,437	325,819	2.00%	6,516
333	Services	72,744	1,563	0	74,307	15,679	58,628	3.33%	1,926
334	Meters and Meter Installations	105,290	0	0	105,290	0	105,290	8.33%	8,771
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	30,500	0	0	30,500	0	30,500	6.67%	2,034
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	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	4,091	0	0	4,091	0	4,091	10.00%	409
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
	<b>Subtotal</b>	<b>\$1,157,617</b>	<b>\$3,986</b>	<b>\$0</b>	<b>\$1,161,603</b>	<b>\$504,182</b>	<b>\$657,421</b>		<b>\$30,644</b>

Contribution(s) in Aid of Construction (Gross)	\$460,927
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	61,194
Amortizable Contribution(s)	<b>\$399,733</b>
Times: Proposed Amortization Rate	5.05%
<b>Amortization of CIAC</b>	<b>\$20,232</b>

Less: Amortization of CIAC **\$20,232**

**DEPRECIATION EXPENSE \$10,412**

Sandario Water Company, Inc.  
 Annual Report  
 Balance Sheet Assets  
 12/31/22

<b>Balance Sheet Assets</b>				
	<b>Assets</b>		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	<b>Current and Accrued Assets</b>			
131	Cash		\$24,207	\$29,987
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		2,650	(384)
146	Notes Receivable from Associated Companies		0	(16,355)
151	Plant Material and Supplies		0	0
162	Prepayments		0	5,557
174	Miscellaneous Current and Accrued Assets		10,204	44,632
	<b>Total Current and Accrued Assets</b>		<b>\$37,061</b>	<b>\$63,437</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,157,617	\$1,161,603
103	Property Held for Future Use		0	0
105	Construction Work in Progress		153	6,296
108	Accumulated Depreciation (enter as negative)*		(908,942)	(939,586)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$248,828</b>	<b>\$228,313</b>
	<b>Total Assets</b>		<b>\$285,889</b>	<b>\$291,750</b>

\*Note these items feed automatically from AR3 UPIS Page 4

Sandario Water Company, Inc.  
Annual Report  
Balance Sheet Liabilities and Owners Equity

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$1,194	\$756
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		13,775	11,546
236	Accrued Taxes		13,435	6,936
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		334	426
	<b>Total Current Liabilities</b>		<b>\$28,738</b>	<b>\$19,664</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$109,193	\$104,914
	<b>Deferred Credits</b>			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		10,303	23,917
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		460,927	460,927
272	Less: Amortization of Contributions		(318,397)	(338,629)
281	Accumulated Deferred Income Tax		3,843	37,709
	<b>Total Deferred Credits</b>		<b>\$156,676</b>	<b>\$183,924</b>
	<b>Total Liabilites</b>		<b>\$294,607</b>	<b>\$308,502</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		3,208	3,208
215	Retained Earnings		(11,926)	(19,960)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>(\$8,718)</b>	<b>(\$16,752)</b>
	<b>Total Liabilities and Capital</b>		<b>\$285,889</b>	<b>\$291,750</b>

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

Sandario Water Company, Inc.  
Annual Report  
Water Comparative Income Statement  
12/31/22

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$196,501	\$194,299
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	11,447	11,788
471	Miscellaneous Service Revenues	7,920	5,301
474	Other Water Revenue	0	0
	<b>Total Revenues</b>	<b>\$215,868</b>	<b>\$211,388</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	19,934	19,175
618	Chemicals	1,843	1,177
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	1,737	2,062
620.2	Office Supplies and Expense	2,674	1,956
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	1,115	699
633	Contractual Services - Legal	1,606	1,357
634	Contractual Services - Management Fees	87,078	85,976
635	Contractual Services - Water Testing	1,375	2,091
636	Contractual Services - Other	0	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	2,480	2,400
657	Insurance - General Liability	2,583	1,721
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	1,400	0
670	Bad Debt Expense	(94)	829
675	Miscellaneous Expense	2,186	2,550
403	Depreciation Expense (From Schedule AR4)	10,412	9,536
408	Taxes Other Than Income	0	0
408.11	Property Taxes	11,854	12,210
409	Income Taxes	15,792	25,386
427.1	Customer Security Deposit Interest	251	345
	<b>Total Operating Expenses</b>	<b>\$164,226</b>	<b>\$169,470</b>
	<b>Operating Income / (Loss)</b>	<b>\$51,642</b>	<b>\$41,918</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$1,069	\$1,113
421	Non-Utility Income	850	932
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(6,114)	(6,348)
	<b>Total Other Income / (Expense)</b>	<b>(\$4,195)</b>	<b>(\$4,303)</b>
	<b>Net Income / (Loss)</b>	<b>\$47,447</b>	<b>\$37,615</b>



Sandario Water Company, Inc.  
 Annual Report  
 Full time equivalent employees  
 12/31/22

**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			unable to	0.0
Engineering Staff			determine	0.0
System Operator(s)			without	0.0
Meter reader			significant	0.0
Customer Service			analysis	0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
<b>Total</b>	0.0	0.0	0.0	0.0

Sandario Water Company, Inc.  
 Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/22

<b>Supplemental Financial Data (Long-Term Debt)</b>				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	6/30/2017			
Source of Loan	CoBank			
ACC Decision No.	76071			
Reason for Loan	Improvements			
Dollar Amt. Issued	\$123,793			
Amount Outstanding	\$104,914			
Date of Maturity	1/20/2038			
Interest Rate	5.61%			
Current Year Interest	\$6,114			
Current Year Principal	\$4,279			

Meter Deposit Balance at Test Year End:	\$9,217
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Meter Deposits Refunded During the Test Year:	\$577
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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											
Name of the System:		SANDARIO WATER CO.									
ADEQ Public Water System Number:		AZ0410093									
ADWR PCC Number:		91-000434.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2022	Meter Size (inches)	How measured:	Active
55-518208	40	350	600	12	Submersible	1989	300	305	4	Metered	Yes
55-594513	15	80	590	8	Submersible	2003	320	330	2	Metered	Yes

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

Month	Water withdrawn (gallons) <sup>1</sup>	Water sold (gallons) <sup>2</sup>	Water delivered (sold) to other systems (gallons) <sup>3</sup>	Water received (purchased) from other systems (gallons) <sup>4</sup>	Estimated authorized use (gallons) <sup>5</sup>	Purchased Power Expense <sup>6</sup>	Purchased Power (kWh) <sup>7</sup>
January	2,293,629.00	2,088,450.00	0.00	0.00	0.00	\$964	7,027
February	2,013,134.00	1,658,060.00	0.00	0.00	0.00	1,342	7,948
March	2,444,570.00	2,094,178.00	0.00	0.00	0.00	1,343	7,953
April	2,876,006.00	2,640,834.00	0.00	0.00	0.00	1,744	10,533
May	3,052,435.00	2,809,484.00	0.00	0.00	0.00	1,942	11,799
June	3,510,982.00	3,206,150.00	0.00	0.00	0.00	2,179	13,785
July	4,073,999.00	3,818,206.00	0.00	0.00	0.00	1,977	12,448
August	3,251,890.00	2,943,187.00	0.00	0.00	0.00	1,761	11,011
September	2,850,962.00	2,508,220.00	0.00	0.00	0.00	1,668	10,040
October	2,969,763.00	2,747,632.00	0.00	0.00	0.00	1,636	9,509
November	2,667,192.00	2,408,387.00	0.00	0.00	0.00	1,772	10,024
December	2,335,152.00	2,174,387.00	0.00	0.00	0.00	1,058	7,216
<b>Totals</b>	<b>34,339,714.00</b>	<b>31,097,175.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>\$19,385</b>	<b>119,293</b>

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

<sup>1</sup> Water withdrawn - Total gallons of water withdrawn from pumped sources.  
<sup>2</sup> Water sold - Total gallons from customer meters, and other sales such as construction water.  
<sup>3</sup> Water delivered (sold) to other systems - Total gallons of water delivered to other systems.  
<sup>4</sup> Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.  
<sup>5</sup> 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.  
<sup>6</sup> Enter the total purchased power costs for the power meters associated with this system.  
<sup>7</sup> Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description		
Name of the System:	SANDARIO WATER CO.	
ADEQ Public Water System Number:	AZ0410093	
ADWR PCC Number:	91-000434.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	Galvanized	660
2.00	PVC	710
3.00	AC/PVC	4,530
3.00	PVC	330
4.00	AC/PVC	7,308
4.00	PVC	5,864
6.00	AC/PVC	20,535
6.00	PVC	18,123

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	329	1%	8%
0.75	4	0%	0%
1	6	0%	80%
1.5	2	50%	50%

SERVICE LINES		
Material	Percent of system	Year installed
PVC	80%	1970
Copper	10%	2014-16
Black poly	10%	1970

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	100	1
10	200	2
15	300	2

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
12,000	Steel	4	1989
20,000	Steel	1	2003

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
2,000	Steel	1	1970
5,000	Steel	1	1970
90	Steel/rubber	2	2012

\* 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.

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

<b>TREATMENT EQUIPMENT:</b>	2 chlorinators
<b>STRUCTURES:</b>	700 feet of 6 foot tall chain link fence, 12 x 12 foot booster station
<b>OTHER:</b>	N/A

**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 365
- (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	251
Method used:	(a)

Customer and Other Information	
Name of the System:	SANDARIO WATER CO.
ADEQ Public Water System Number:	AZ0410093
ADWR PCC Number:	91-000434.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	335	0	1	0	0
February	335	0	2	0	0
March	336	0	2	0	0
April	340	0	2	0	0
May	341	0	2	0	0
June	339	0	2	0	0
July	338	0	2	0	0
August	335	0	2	0	0
September	338	0	2	0	0
October	337	0	2	0	0
November	339	0	2	0	0
December	338	0	2	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.

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

Sandario Water Company, Inc.  
**Annual Report**  
 Utility Shutoffs / Disconnects  
 12/31/22

<b>Utility Shutoffs / Disconnects</b>	
Name of the System:	SANDARIO WATER CO.
ADEQ Public Water System Number:	AZ0410093
ADWR PCC Number:	91-000434.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	3	0
March	0	3	0
April	0	7	0
May	0	4	0
June	0	4	0
July	0	8	0
August	0	2	0
September	0	7	0
October	0	7	0
November	0	11	0
December	0	7	0
<b>Total</b>	<b>0</b>	<b>63</b>	<b>0</b>

**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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2022 was	
--	--

\$12,032
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If no property taxes paid, explain why.
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N/A
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<b>Instructions:</b> Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.
---



**Verification and Sworn Statement (Taxes)**

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

County of (county name): Maricopa  
Name (owner or official) title: Bryan Thomas, President  
Company name: Sandario Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/22

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

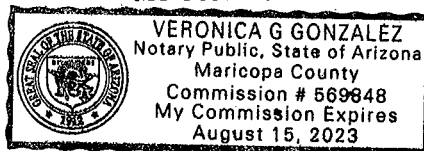
623-935-1100  
telephone no.

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

THIS 4<sup>th</sup> DAY OF April 2023  
(month) and (year)

MY COMMISSION EXPIRES

8/15/23  
(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): Maricopa  
Name (owner or official) title: Bryan Thomas, President  
Company name: Sandario Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/22

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.

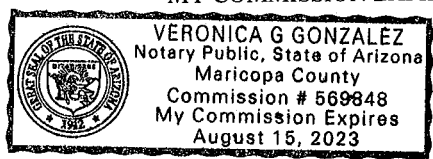
**Sworn Statement:** IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)  
\$228,731  
(The amount in the box above includes  
\$12,863 in sales taxes  
billed or collected)

BTD  
signature of owner/official  
  
623-935-1100  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Maricopa  
(county name)  
THIS 4th DAY OF April 2023  
(month) and (year)

MY COMMISSION EXPIRES 8/15/23  
(date)



Veronica G Gonzalez  
(signature of notary public)

**Verification and Sworn Statement (Residential Revenue)**

**Verification:**

State of Arizona I, the undersigned of the  
(state name)  
County of (county name): Maricopa  
Name (owner or official) title: Bryan Thomas, President  
Company name: Sandario Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/22

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 (\$)  
\$226,677  
(The amount in the box above includes  
\$12,745 in sales taxes  
billed or collected)

BTE  
signature of owner/official  
623-935-1100  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Maricopa  
(county name)

THIS 4th DAY OF April 2023  
(month) and (year)

MY COMMISSION EXPIRES 8/15/23  
(date)



Veronica G Gonzalez  
(signature of notary public)

Sandario Water Company, Inc.  
Annual Report  
Gross-up Sharing Method for Income Tax Statement of Certification  
12/31/22

**Gross-up Sharing Method for Income Tax Statement of Certification**

**Verification:**

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

County of (county name): Maricopa  
Name (owner or official) title: Bryan Thomas, President  
Company name: Sandario Water Company, Inc.

FOR THE YEAR ENDING: 12/31/22

**Sworn Statement:**

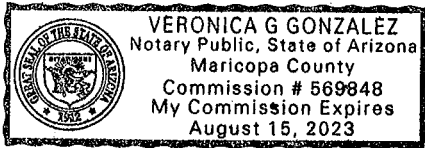
IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD 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.

BTF  
signature of owner/official  
623-935-1100  
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
IN AND FOR THE COUNTY Maricopa  
(county name)

THIS 4<sup>th</sup> DAY OF April 2023  
(month) and (year)

MY COMMISSION EXPIRES 8/15/23  
(date)



Veronica G Gonzalez  
(signature of notary public)