## **RECEIVED BY EMAIL** 5/15/2023, 3:10 PM ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

|                                    | ANNUAL REPORT                                 |  |
|------------------------------------|---|--|
|                                    | Of  |  |
| Company Name:                      | Starlight Water Company, Inc.<br>PO Box 85160 |  |
| Mailing Address:                   | Tucson AZ<br>85754                            |  |
| Docket No.:<br>For the Year Ended: | W-02848A<br>12/31/22                          |  |

# WATER UTILITY

То

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: 5/15/2023

Original Filing

# ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Starlight Water Company, Inc. A Class D Utility

| For the Calendar Year E  | nded: <u>12/31/22</u>   |  |  |                     |              |                 |
|--------------------------|---|--|--|---------------------|--------------|-----------------|
| Primary Address:         | PO BOX 85160  |  |  |                     |              |                 |
|                          | TUCSON  |  | state: ARIZONA   |                     | Zip Code:    | 85754           |
|                          |   |  |  |                     | <b>r</b>     |                 |
| Telephone Number:        | 520-623-5172  | ]  |  |                     |              |                 |
| Date of Original Organiz | zation of Utility:  | 1/9/199                                  | 5  |                     |              |                 |
| Person to whom corresp   | ondence should be address   | ed concernin                             | ng this report:  |                     |              |                 |
|                          | DORINDA CHACON  |  | •  |                     |              |                 |
| Telephone No. :          | 520-623-5172  |  |  |                     |              |                 |
| Address:                 | PO BOX 85160  | <b>_</b>                                 |  |                     |              |                 |
| City:                    | TUCSON  | 5  | State: ARIZONA   |                     | Zip Code:    | 85754           |
| Email:                   | INFO@SOUTHWESTERN   | UTILITY CC                               | <u>مر</u>  | -                   | -            |                 |
|                          |   |  |  |                     |              |                 |
|                          |   | n an |  | · · · · ·           |              |                 |
| Name:                    |   |  |  |                     |              |                 |
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| City:                    |   | <u> </u>                                 | State:   |                     | Zip Code:    |                 |
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| City:<br>Email:          |   |  | state.   | 1                   | Zip Code:    |                 |
| Email:                   | na litilgi tiyargati seyida ga  | et i se trañ                             | alan ili yang berdi seruh s  |                     |              |                 |
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| City:                    |   | <u> </u>                                 | State:   |                     | Zip Code:    |                 |
| Email:                   | fort plantation and the state   |  | <b>.</b>   |                     |              |                 |
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| Name:                    |   |  |  |                     |              |                 |
| Telephone No. :          | ur oli bege ers ektoer ook bester felde<br>Gold van de gebere de            |  |  |                     |              |                 |
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| Email:                   |   |  |  | J                   |              |                 |
|                          |   |  |  |                     |              |                 |
| Ownership:               | "C" Corporation   |  |  |                     |              |                 |
|                          |   |  |  |                     |              |                 |
| Counties Served:         | Coconino  |  |  |                     |              |                 |

## ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT Starlight Water Company, Inc.

## 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 vear?

year? If yes, please provide specific details in the box below.

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

NA

|         |  | Utilit         | y Plant in Service | (Water)      | -                 |              |               |
|---------|--|----------------|--------------------|--------------|-------------------|--------------|---------------|
| Account | Description                            | Beginning Year | Current Year       | Current Year | Adjusted Original | Accumulated  | OCLD (OC less |
| No.     |  | Original Cost  | Additions          | Retirements  | Cost              | Depreciation | AD)           |
| 301     | Organization                           | \$2,000        | \$0                | \$0          | \$2,000           | \$0          | \$2,000       |
| 302     | Franchises                             | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 303     | Land and Land Rights                   | 14,000         | 0                  | 0            | 14,000            | 0            | 14,000        |
| 304     | Structures and Improvements            | 289,095        | 0                  | 0            | 289,095           | 215,894      | 73,201        |
| 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                      | 350,380        | 0                  | 0            | 350,380           | 224,717      | 125,663       |
| 308     | Infiltration Galleries                 | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 309     | Supply Mains                           | 2,430          | 0                  | 0            | 2,430             | 293          | 2,137         |
| 310     | Power Generation Equipment             | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 311     | Pumping Equipment                      | 495,461        | 30,573             | 0            | 526,034           | 468,239      | 57,795        |
| 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              | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 320.3   | Point-of-Use Treatment Devices         | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 330     | Distribution Reservoirs and Standpipes | 503,314        | 0                  | 0            | 503,314           | 259,664      | 243,650       |
| 330.1   | Storage Tanks                          | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 330.2   | Pressure Tanks                         | 0              | 37,057             | 0            | 37,057            | 1,731        | 35,326        |
| 331     | Transmission and Distribution Mains    | 2,124,248      | 0                  | 0            | 2,124,248         | 1,094,519    | 1,029,729     |
| 333     | Services                               | 195,056        | 1,625              | 0            | 196,681           | 145,249      | 51,432        |
| 334     | Meters and Meter Installations         | 55,173         | 1,743              | 0            | 56,916            | 52,573       | 4,343         |
| 335     | Hydrants                               | 336,350        | 0                  | . 0          | 336,350           | 185,219      | 151,131       |
| 336     | Backflow Prevention Devices            | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 339     | Other Plant and Misc. Equipment        | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 340     | Office Furniture and Equipment         | 2,152          | 0                  | 0            | 2,152             | 2,152        | 0             |
| 340.1   | Computer & Software                    | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 341     | Transportation Equipment               | 25,813         | 0                  | 0            | 25,813            | 25,813       | 0             |
| 342     | Stores Equipment                       | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 343     | Tools, Shop and Garage Equipment       | 12,328         | 0                  | 0            | 12,328            | 10,583       | 1,745         |
| 344     | Laboratory Equipment                   | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 345     | Power Operated Equipment               | 0              | 0                  | 0            | 0                 | 0            | <u> </u>      |
| 346     | Communication Equipment                | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 347     | Miscellaneous Equipment                | 0              | 0                  | 0            | 0                 | 0            | 0             |
| 348     | Other Tangible Plant                   | 261            | 0                  | 0            | 261               | 158          | 103           |
|         | Totals                                 | \$4,408,061    | \$70,998           | \$0          | \$4,479,059       | \$2,686,804  | \$1,792,255   |

### Starlight Water Company, Inc. Annual Report Depreciation Expense for the Current Year (Water) 12/31/22

|             |  | Dep                        | reciation Expense         | for the Current             | Year (Water)              |                           |             |              |              |
|-------------|--|----------------------------|---------------------------|-----------------------------|---------------------------|---------------------------|-------------|--------------|--------------|
| Account No. | Description                            | Beginning<br>Year Original | Current Year<br>Additions | Current Year<br>Retirements | Adjusted<br>Original Cost | Fully<br>Depreciated/Non- | Depreciable | Depreciation | Depreciation |
|             |  | Cost                       |                           |                             | e                         | depreciable Plant         | Plant       | Percentages  | Expense      |
| 301         | Organization                           | \$2,000                    | \$0                       | \$0                         | \$2,000                   | \$2,000                   | <b>\$</b> 0 | 0,00%        | \$0          |
| 302         | Franchises                             | 0                          | 0                         | 0                           | 0                         | 0                         | 0           | 0.00%        | 0            |
| 303         | Land and Land Rights                   | 14,000                     | 0                         | 0                           | 14,000                    | 14,000                    | 0           | 0.00%        | 0            |
| 304         | Structures and Improvements            | 289,095                    | 0                         | 0                           | 289,095                   | 0                         | 289,095     | 3.33%        | 9,627        |
| 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                      | 350,380                    | 0                         | 0                           | 350,380                   | 0                         | 350,380     | 3.33%        | 11,668       |
| 308         | Infiltration Galleries                 | 0                          | 0                         | 0                           | 0                         | 0                         | 0           | 0.00%        | 0            |
| 309         | Supply Mains                           | 2,430                      | 0                         | 0                           | 2,430                     | 0                         | 2,430       | 2.00%        | 49           |
| 310         | Power Generation Equipment             | 0                          | 0                         | 0                           | 0                         | 0                         | 0           | 0.00%        | 0            |
| 311         | Pumping Equipment                      | 495,461                    | 30,573                    | 0                           | 526,034                   | 413,455                   | 112,579     | 12.50%       | 12,162       |
| 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              | 0                          | 0                         | 0                           | 0                         | 0                         | 0           | 0.00%        | 0            |
| 320.3       | Point-of-Use Treatment Devices         | 0                          | 0                         | 0                           | 0                         | Ő                         | 0           | 0.00%        | 0            |
| 330         | Distribution Reservoirs and Standpipes | 503,314                    | 0                         | 0                           | 503,314                   | 0                         | 503,314     | 2.22%        | 11,174       |
| 330.1       | Storage Tanks                          | 0                          | 0                         | 0                           | 0                         | Ó                         | 0           | 0.00%        | 0            |
| 330.2       | Pressure Tanks                         | 0                          | 37,057                    | 0                           | 37,057                    | 0                         | 37,057      | 2.22%        | 1,731        |
| 331         | Transmission and Distribution Mains    | 2,124,248                  | Ö                         | 0                           | 2,124,248                 | 0                         | 2,124,248   | 2.00%        | 42,485       |
| 333         | Services                               | 195,056                    | 1,625                     | 0                           | 196,681                   | 0                         | 196,681     | 3.33%        | 6,522        |
| 334         | Meters and Meter Installations         | 55,173                     | 1,743                     | 0                           | 56,916                    | 41,144                    | 15,772      | 8.33%        | 1,241        |
| 335         | Hydrants                               | 336,350                    | 0                         | 0                           | 336,350                   | 0                         | 336,350     | 2.00%        | 6,727        |
| 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         | 2,152                      | 0                         | 0                           | 2,152                     | 2,152                     | 0           | 6.67%        | 0            |
| 340.1       | Computer & Software                    | 0                          | 0                         | 0                           | 0                         | 0                         | 0           | 0.00%        | 0            |
| 341         | Transportation Equipment               | 25,813                     | 0                         | 0                           | 25,813                    | 25,813                    | 0           | 20.00%       | 0            |
| 342         | Stores Equipment                       | 0                          | Ó                         | 0                           | 0                         | 0                         | 0           | 0.00%        | 0            |
| 343         | Tools, Shop and Garage Equipment       | 12,328                     | 0                         | 0                           | 12,328                    | 2,000                     | 10,328      | 5.00%        | 516          |
| 344         | Laboratory Equipment                   | Ó                          | 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%        | Ŏ            |
| 347         | Miscellaneous Equipment                | 0                          | 0                         | 0                           | 0                         | 0                         | 0           | 0.00%        | ů<br>0       |
| 348         | Other Tangible Plant                   | 261                        | 0                         | 0                           | 261                       | 196                       | 65          | 10.00%       |              |
|             | Subtotal                               | \$4,408,061                | \$70,998                  | \$0                         | \$4,479,059               | \$500,760                 |             |              | \$103,908    |

Contribution(s) in Aid of Construction (Gross) Less: Non Amortizable Contribution(s) Fully Amortized Contribution(s) Amortizable Contribution(s) Times: Proposed Amortization Rate Amortization of CIAC \$841,278 0 **\$841,278** 2.50% \$21,032

Less: Amortization of CIAC \$21,032

DEPRECIATION EXPENSE \$82,876

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

|             | Balance Sheet Assets                          |   |                                  |
|-------------|---|---|----------------------------------|
|             | Assets  | Balance at<br>Beginning of Year<br>(2022) | Balance at End of<br>Year (2022) |
| Account No. | Current and Accrued Assets                    |   |                                  |
| 131         | Cash  | \$145,893                                 | \$68,385                         |
| 134         | Working Funds                                 | 0   | 0                                |
| 135         | Temporary Cash Investments                    | 0   | 0                                |
| 141         | Customer Accounts Receivable                  | 12,013                                    | (914)                            |
| 146         | Notes Receivable from Associated Companies    | 0   | 0                                |
| 151         | Plant Material and Supplies                   | 410                                       | 410                              |
| 162         | Prepayments                                   | 0   | 0                                |
| 174         | Miscellaneous Current and Accrued Assets      | 0   | 0                                |
|             | Total Current and Accrued Assets              | \$158,316                                 | \$67,881                         |
| Account No. | Fixed Assets                                  | · · · · · · · · · · · · · · · · · · ·     |                                  |
| 101         | Utility Plant in Service*                     | \$4,408,061                               | \$4,479,059                      |
| 103         | Property Held for Future Use                  | 7,687                                     | 7,687                            |
| 105         | Construction Work in Progress                 | 0   | 0                                |
| 108         | Accumulated Depreciation (enter as negative)* | (2,582,895)                               | (2,686,804)                      |
| 121         | Non-Utility Property                          | 0   | 0                                |
| 122         | Accumulated Depreciation - Non Utility        | 0   | 0                                |
|             | Total Fixed Assets                            | \$1,832,853                               | \$1,799,942                      |
|             | Total Assets                                  | \$1,991,169                               | \$1,867,823                      |

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

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

|             | Balance Sheet Liabilities and Ow                  | vners Equity                           |                                  |
|-------------|---|--|----------------------------------|
|             | Liabilities                                       | Balance at Beginning<br>of Year (2022) | Balance at End of<br>Year (2022) |
| Account No. | Current Liabilities                               | · · · · · · · · · · · · · · · · · · ·  |                                  |
| 231         | Accounts Payable                                  | \$190                                  | \$3,775                          |
| 232         | Notes Payable (Current Portion)                   | 0                                      | 0                                |
| 234         | Notes Payable to Associated Companies             | 0                                      | 0                                |
| 235         | Customer Deposits                                 | 1                                      | 0                                |
| 236         | Accrued Taxes                                     | 2,096                                  | 46,712                           |
| 237         | Accrued Interest                                  | 0                                      | 2,226                            |
| 242         | Miscellaneous Current and Accrued Liabilities     | 0                                      | 0                                |
|             | Total Current Liabilities                         | \$2,287                                | \$52,713                         |
|             | 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                   | 1,821,047                              | 1,760,934                        |
| 255         | Accumulated Deferred Investment Tax Credits       | 0                                      | 0                                |
| 271         | Contributions in Aid of Construction              | 841,278                                | 841,278                          |
| 272         | Less: Amortization of Contributions               | (655,412)                              | (676,444)                        |
| 281         | Accumulated Deferred Income Tax                   | 0                                      | 0                                |
|             | Total Deferred Credits                            | \$2,006,913                            | \$1,925,768                      |
|             | Total Liabilites                                  | \$2,009,200                            | \$1,978,481                      |
|             | Capital Accounts                                  |  |                                  |
| 201         | Common Stock Issued                               | \$493,005                              | \$490,684                        |
| 201         | Other Paid-In Capital                             | 0                                      | 0                                |
| 211         | Retained Earnings                                 | (511,036)                              | (601,342)                        |
| 215         | Proprietary Capital (Sole Props and Partnerships) | (011,000)                              | 0                                |
| 210         | Total Capital                                     | (\$18,031)                             | (\$110,658)                      |
|             | Total Liabilities and Capital                     | \$1,991,169                            | \$1,867,823                      |

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

|             | Water Comparative I                      |                         | •                       |  |  |
|-------------|--|-------------------------|-------------------------|--|--|
| Account No. | Calendar Year                            | Current Year Last Year  |                         |  |  |
|             |  | 01/01/2022 - 12/31/2022 | 01/01/2021 - 12/31/2021 |  |  |
|             | Operating Revenue                        | 0076 005                |                         |  |  |
| 461         | Metered Water Revenue                    | \$375,205               | \$365,95                |  |  |
| 460         | Unmetered Water Revenue                  | 0                       |                         |  |  |
| 462         | Fire Protection Revenue                  | 0                       |                         |  |  |
| 469         | Guaranteed Revenues (Surcharges)         | 0                       | <del></del>             |  |  |
| 471         | Miscellaneous Service Revenues           | 0                       |                         |  |  |
| 474         | Other Water Revenue                      | 761                     | 4,94                    |  |  |
|             | Total Revenues                           | \$375,966               | \$370,89                |  |  |
|             |  |                         |                         |  |  |
| <u> </u>    | Operating Expenses                       | #121 <b>5</b> 50        | £110.20                 |  |  |
| 601         | Salaries and Wages                       | \$131,759               | \$119,30                |  |  |
| 604         | Employee Pensions and Benefits           | 0                       | 11,67                   |  |  |
| 610         | Purchased Water                          | 0                       | 00.00                   |  |  |
| 615         | Purchased Power                          | 21,402                  | 23,09                   |  |  |
| 618         | Chemicals                                | 0                       |                         |  |  |
| 620         | Materials and Supplies                   | 570                     | 36                      |  |  |
| 620.1       | Repairs and Maintenance                  | 30,514                  | 19,89                   |  |  |
| 620.2       | Office Supplies and Expense              | 15,208                  | 13,63                   |  |  |
| 630         | Contractual Services                     | 677                     | 2,50                    |  |  |
| 631         | Contractual Services - Engineering       | 0                       |                         |  |  |
| 632         | Contractual Services - Accounting        | 9,025                   | 5,42                    |  |  |
| 633         | Contractual Services - Legal             | 39,263                  | 16,91                   |  |  |
| 634         | Contractual Services - Management Fees   | 48,023                  | 41,02                   |  |  |
| 635         | Contractual Services - Water Testing     | 3,474                   | 1,21                    |  |  |
| 636         | Contractual Services - Other             | 40,000                  | 62,86                   |  |  |
| 640         | Rents                                    | 0                       |                         |  |  |
| 641         | Rental of Building/Real Property         | 0                       |                         |  |  |
| 642         | Rental of Equipment                      | 0                       |                         |  |  |
| 650         | Transportation Expenses                  | 16,357                  | 8,84                    |  |  |
| 657         | Insurance - General Liability            | 9,261                   | 8,33                    |  |  |
| 657.1       | Insurance - Health and Life              | 9,244                   |                         |  |  |
| 665         | Regulatory Commission Expense - Rate     | 0                       |                         |  |  |
| 670         | Bad Debt Expense                         | 0                       | 1,81                    |  |  |
| 675         | Miscellaneous Expense                    | 0                       | 23                      |  |  |
| 403         | Depreciation Expense (From Schedule AR4) | 82,876                  | 78,52                   |  |  |
| 408         | Taxes Other Than Income                  | 0                       | 10,89                   |  |  |
| 408.11      | Property Taxes                           | 8,669                   | 8,92                    |  |  |
| 409         | Income Taxes                             | 0                       |                         |  |  |
| 427.1       | Customer Security Deposit Interest       | 0                       |                         |  |  |
|             | Total Operating Expenses                 | \$466,322               | \$435,49                |  |  |
|             |  |                         |                         |  |  |
|             | Operating Income / (Loss)                | (\$90,356)              | (\$64,59                |  |  |
|             | Other Income / (Expense)                 |                         |                         |  |  |
| 419         | Interest and Dividend Income             | \$0                     | 9                       |  |  |
| 421         | Non-Utility Income                       | 51                      |                         |  |  |
| 426         | Miscellaneous Non-Utility (Expense)      | 0                       |                         |  |  |
| 427         | Interest (Expense)                       | 0                       |                         |  |  |
|             | Total Other Income / (Expense)           | \$51                    | (9                      |  |  |
|             |  |                         |                         |  |  |
|             | Net Income / (Loss)                      | (\$90,305)              | (\$64,59                |  |  |

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

|                      | Direct Company | Allocated | Outside service | Tota |
|----------------------|----------------|-----------|-----------------|------|
| President            | 0.5            | 0.0       | 0.0             | 0.5  |
| Vice-president       | 0.0            | 0.0       | 0.0             | 0.0  |
| Manager              | 0.0            | 0.0       | 0.5             | 0.5  |
| 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       | 0.3             | 0.3  |
| Accounting           | 0.0            | 0.0       | 0.1             | 0.1  |
| Business Office      | 0.0            | 0.0       | 0.2             | 0.2  |
| Rates Department     | 0.0            | 0.0       | 0.0             | 0.0  |
| Administrative Staff | 0.0            | 0.0       | 0.0             | 0.0  |
| Other                | 0.0            | 0.0       | 0.0             | 0.0  |
| Total                | 0.5            | 0.0       | 3.1             | 3.6  |

Starlight Water Company, Inc. 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: \$46,192

Meter Deposits Refunded During the Test Year:

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.

Page 10

\$7,432

#### Starlight Water Company, Inc. Annual Report Well and Water Usage 12/31/22

| · · ·   |   |                   | •   | Well and Wat        | ter Usage      |                            |                    |                    |            |           |        |
|---|---|-------------------|---|---------------------|----------------|----------------------------|--------------------|--------------------|------------|-----------|--------|
| Name of the System:   |   | STARLIGHT WA      | FÉR COMPANY   |                     |                |                            | [                  |                    |            |           |        |
| ADEQ Public Water Syste   | em Number:  |                   | AZ0403063   |                     |                |                            | -                  |                    |            |           |        |
| ADWR PCC Number:  |   | -                 | 91-000102.0000  |                     |                |                            |                    |                    |            |           |        |
| Well registry 55# (55-  |   |                   | Casing Depth  | Casing Diameter     | Pump Motor     | Year                       | Water level        | Water level        | Meter Size | How       |        |
| XXXXXX):  | Pump Horsepower   | Pump Yield (gpm)  | (feet)  | (inches)            | Type **        | Dnilled                    | 2012               | 2022               | (inches)   | measured: | Active |
| 55-501667 PINES   | 40  | 160               | 10  | 10                  | SUBMERSIBLE    | 1988                       | 498                | 500                |            | METERED   | YES    |
| 55-553632 RANCHETTE   | 5   | 25                | 6   | 6                   | SUBMERSIBLE    | 1996                       | 540                | 540                |            | METERED   | YES    |
| 55-565147 PINE CANYO  | 40  |                   | 8   | 8                   | SUBMERSIBLE    | 1998                       | 520                | 520                |            | METERED   | YES    |
| 55-565148 TAMRON PI   | 40  | 250               | 8   | 8                   | SUBMERSIBLE    | 1998                       | 540                | 545                | 3          | METERED   | YES    |
|   |   |                   |   |                     |                |                            |                    |                    |            |           |        |
|   |   |                   |   |                     |                |                            |                    |                    |            | Γ         | 1      |
|   |   |                   | Alexandra de la est   |                     |                |                            |                    |                    |            |           |        |
| r Managa Angarang Ang |   | na la parte       |   |                     |                | 1997 - 1998<br>1997 - 1999 |                    |                    |            |           |        |
|   |   |                   | e se se de la companya de la company |                     |                |                            |                    |                    |            |           |        |
|   |   |                   |   |                     |                |                            | · · · ·            |                    |            |           |        |
|   | den in den ja   | n organization de | na segunda da segunda s |                     |                |                            |                    | ndhath ata tua tur |            |           |        |
|   |   |                   |   |                     |                |                            |                    |                    |            | 1         |        |
|   | and the state of the | ante a la com     |   |                     |                | · · · ·                    |                    |                    |            |           |        |
|   |   |                   |   |                     |                |                            | 1.1.1.1            | · ·                |            |           |        |
| ngar see as ann gar i   | alah Maria Bran   |                   |   |                     |                |                            |                    |                    |            |           |        |
|   |   |                   |   | nen ega al har en h |                |                            |                    |                    |            |           |        |
| ······  |   |                   |   |                     |                |                            | _                  |                    |            |           |        |
| Name of system water de   | ivered to:  |                   |   |                     |                |                            | ]                  |                    |            |           |        |
| ADWR PCC Number:  |   |                   | NA  |                     |                |                            |                    |                    |            |           |        |
| Source of water delivered   | to another system   | NA                |   | · · ·               | -              |                            |                    |                    |            |           |        |
|   |   |                   | -   |                     |                |                            | _                  |                    |            |           |        |
| Name of system water rec  | eived from:   |                   |   |                     |                |                            | ]                  |                    |            |           |        |
| ADWR PCC Number:  |   |                   | NA  |                     |                |                            | -                  |                    |            |           |        |
| Source of water received  |   | NA                |   |                     | -              |                            |                    |                    |            |           |        |
| Well registry 55# (55-XX  | XXXX):  | NA                |   | ]                   |                |                            |                    |                    |            |           |        |
|   |   |                   |   | -                   |                |                            |                    | _                  |            |           |        |
|   |   |                   |   | Water received      |                |                            | Γ.                 | ]                  |            |           |        |
|   |   |                   | Water delivered   | (purchased) from    | Estimated      | Purchased                  | Purchased          |                    |            |           |        |
|   | Water withdrawn   | Water sold        | (sold) to other   | other systems       | authorized use | Power                      | Power              |                    |            |           |        |
| Month   | (gallons)1  | (gallons)2        | systems (gallons)3  | (gallons)4          | (gallons)5     | Expense <sup>6</sup>       | (kWh) <sup>7</sup> |                    |            |           |        |
| Јапиагу   | 1,649,300.00  | 1,143,880.00      | 0.00  | 0.00                | 0.00           | \$1,795                    | 10,573             | 1                  |            |           |        |
|   |   |                   |   |                     |                |                            |                    |                    |            |           |        |

| (gallons)1<br>1,649,300.00<br>1,173,400.00 | 1,143,880.00   | systems (gallons)3<br>0.00                            | (gallons)4<br>0.00                                    | (gallons)5  | Expense <sup>6</sup>                                  | (kWh) <sup>7</sup>                                    |
|--|--|---|---|---|---|---|
|  |  | 0.00  | 0.00  |   |   |   |
| 1.173.400.00                               |  |   | 0.00  | 0.00  | \$1,795   | 10,573  |
|  | 1,021,771.00   | 0.00  | 0.00  | 0.00  | 1,413   | 8,901   |
| 1,197,500.00                               | 1,025,770.00   | 0.00  | 0.00  | 0.00  | 1,672   | 10,884  |
| 1,766,400.00                               | 1,279,972.00   | 0.00  | 0.00  | 0.00  | 1,754   | 10,958  |
| 2,151,100.00                               | 1,925,780.00   | 0.00  | 0.00  | 0.00  | 2,156   | 11,878  |
| 2,101,900.00                               | 2,334,000.00   | 0.00  | 0.00  | 0.00  | 1,794   | 12,130  |
| 1,953,500.00                               | 1,475,500.00   | 0.00  | 0.00  | 0.00  | 1,929   | 11,369  |
| 1,377,450.00                               | 1,469,950.00   | 0.00  | 0.00  | 0.00  | 1,099   | 5,863   |
| 1,377,450.00                               | 1,526,300.00   | 0.00  | 0.00  | 0.00  | 1,648   | 10,554  |
| 1,385,000.00                               | 1,143,411.00   | 0.00  | 0.00  | 0.00  | 2,107   | 11,350  |
| 1,198,500.00                               | 1,014,111.00   | 0.00  | 0 00  | 0.00  | 1,798   | 10,959  |
| 1,677,400.00                               | 1,144,899.00   | 0.00  | 0.00  | 0.00  | 2,237   | 12,345  |
| 19,008,900.00                              | 16,505,344.00  | 0.00  | 0.00  | 0.00  | \$21,402  | 127,764   |
|  | $\begin{array}{c} 1,766,400.00\\ 2,151,100.00\\ 2,101,900.00\\ 1,953,500.00\\ 1,377,450.00\\ 1,377,450.00\\ 1,385,000.00\\ 1,198,500.00\\ 1,198,500.00\\ 1,677,400.00\\ \end{array}$ | $\begin{array}{c ccccccccccccccccccccccccccccccccccc$ |

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

Water withdrawn - Total gallons of water withdrawn from pumped sources.
ZWater sold - Total gallons from customer meters, and other sales such as construction water.
Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
SEstimated 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.

Starlight Water Company, Inc. Annual Report Water Utility Plant Description 12/31/22

| Water Utility Plant Description  |                         |  |  |  |  |  |  |  |
|----------------------------------|-------------------------|--|--|--|--|--|--|--|
| Name of the System:              | STARLIGHT WATER COMPANY |  |  |  |  |  |  |  |
| ADEQ Public Water System Number: | AZ0403063               |  |  |  |  |  |  |  |
| ADWR PCC Number:                 | 91-000102.0000          |  |  |  |  |  |  |  |

| MAINS          |  |                    |  |  |
|----------------|--|--------------------|--|--|
| Sizes (inches) | Material   | Length (feet)      |  |  |
| 2.00           | PVC  | 3,584              |  |  |
| 4.00           | PVC  | 3,836              |  |  |
| 6.00           | PVC  | 162,698            |  |  |
| 8.00           | PVC  | 9,569              |  |  |
|                | <u>Allen for Frankriker († 1997)</u><br>1993 - Allen Allen Markel, son frankriker († 1997) |                    |  |  |
|                |  |                    |  |  |
|                |  |                    |  |  |
|                |  |                    |  |  |
|                |  | en en en en de set |  |  |
|                | adametér neten el contraterán de el  |                    |  |  |
|                | Name we boats the cash was the still a sub-  |                    |  |  |
|                |  |                    |  |  |
|                |  |                    |  |  |
|                |  |                    |  |  |

| SERVICE LINES                      |                       |           |  |  |  |
|------------------------------------|-----------------------|-----------|--|--|--|
|                                    |                       | Year      |  |  |  |
| Material                           | Percent of system     | installed |  |  |  |
| PVC                                | 100%                  | 1982      |  |  |  |
| service of the call of the service | a siya ya sa sa sa je | . 4       |  |  |  |
|                                    |                       |           |  |  |  |
|                                    |                       |           |  |  |  |
|                                    |                       |           |  |  |  |

| CUSTOMER METERS |          |   |  |  |  |
|-----------------|----------|---|--|--|--|
|                 |          | Percent over  | Percent over   |  |  |
| Size (inches)   | Quantity | 1,000,000 gallons   | 10 years old   |  |  |
| 0.75            | 756      | 5%  | 96%  |  |  |
| 1               | 4        | 25%   | 100%   |  |  |
| 2               | i        | 100%  | 100%   |  |  |
| 3               | 1        | 100%  | 100%   |  |  |
|                 |          | an an an an an an   |  |  |  |
| · · · · · ·     |          |   |  |  |  |
|                 |          |   |  |  |  |
|                 |          |   |  |  |  |
|                 |          | · · · · · · · · · · · · · · · · · · ·   |  |  |  |
|                 |          |   |  |  |  |
|                 |          |   |  |  |  |
|                 |          |   |  |  |  |
|                 |          | i eget de la compañía | an an an ann an taonachta<br>an t-an an Ann a' taonachtachta |  |  |
|                 |          |   |  |  |  |
|                 |          |   |  |  |  |
|                 |          |   |  |  |  |
|                 |          |   |  |  |  |

| FIRE HYDRANTS |          |  |
|---------------|----------|--|
| Туре          | Quantity |  |
| Standard *    | 261      |  |
| Other         | 0        |  |

| PRESSURE/BLADDER TANKS |          |          |                |  |  |
|------------------------|----------|----------|----------------|--|--|
| Capacity               |          |          |                |  |  |
| (galions)              | Material | Quantity | Year installed |  |  |
| 50                     | STEEL    | 1        | 2002           |  |  |
| 2,500                  | STEEL    | 1        | 1998           |  |  |
| 10,000                 | STEEL    | 1        | 1998           |  |  |
| 10,000                 | STEEL    | t        | 2001           |  |  |
|                        |          |          |                |  |  |
|                        |          |          |                |  |  |

\* 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.

| Materia         | 1 |                    | Percent of system |   | installe |
|-----------------|---|--------------------|-------------------|---|----------|
| PVC             |   |                    | 100               | % | 1982     |
|                 |   |                    | a data di sa mb   |   | . 4      |
| 1. 1 L H        |   | 1.1                |                   |   | - 7      |
|                 |   | 1                  |                   |   |          |
| teristin terist |   | : <sup>1</sup> - 1 |                   |   |          |

|            | BOOSTER PUMPS |          |  |  |  |
|------------|---------------|----------|--|--|--|
| Horsepower | GPM           | Quantity |  |  |  |
| 7.5        | 150           | 1        |  |  |  |
| 15         | 300           | 2        |  |  |  |
| 25         | 500           | 4        |  |  |  |
| 30         | 600           | 2        |  |  |  |

| STORAGE TANKS      |          |                    |           |  |  |
|--------------------|----------|--------------------|-----------|--|--|
|                    |          |                    | Year      |  |  |
| Capacity (gallons) | Material | Quantity           | installed |  |  |
| 100,000            | STEEL    | 1                  | 1998      |  |  |
| 210,000            | STEEL    | 1                  | 1987      |  |  |
| 300,000            | STEEL    | 1                  | 1998      |  |  |
| 500,000            | STEEL    | 1                  | 2001      |  |  |
|                    |          |                    |           |  |  |
|                    |          | in the star in the |           |  |  |

### Water Utility Plant Description (Continued)

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

| TREATMENT<br>EQUIPMENT: | NA                              |
|-------------------------|---------------------------------|
| STRUCTURES:             | FOUR WELL BUILDINGS AND FENCING |
| OTHER:                  | NA                              |

## 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 If no historical flow data are available, use:
- (b) ERC = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day )

ERC Method used: 63 (a)

Starlight Water Company, Inc. Annual Report Customer and Other Information 12/31/22

| Customer and Other Information   |              |                |   |  |
|----------------------------------|--------------|----------------|---|--|
| Name of the System:              | STARLIGHT WA | ATER COMPANY   |   |  |
| ADEQ Public Water System Number: |              | AZ0403063      |   |  |
| ADWR PCC Number:                 |              | 91-000102.0000 | 1 |  |

| Number of Customers |  |                      |                      |                 |              |           |
|---------------------|--|----------------------|----------------------|-----------------|--------------|-----------|
|                     |  |                      |                      |                 | Other Non-   |           |
| Month               | Single-Family                            | Multi-Family         | Commercial           | Turf/Irrigation | Residential  |           |
| January             | 748                                      | 0                    | 4                    | 0               |              | 0         |
| February            | 749                                      | 0                    | 4                    | 0               |              | 0         |
| March               | 758                                      | 0                    | 4                    | 0               |              | 0         |
| April               | 758                                      | 0                    | 4                    | 0               |              | 0         |
| May                 | 754                                      | 0                    | 4                    | 0               |              | 0         |
| June                | 763                                      | 0                    | 4                    | 0               |              | 0         |
| July                | 762                                      | 0                    | 4                    | 0               |              | 0         |
| August              | 761                                      | 0                    | 4                    | 0               | -            | 0         |
| September           | 766                                      | 0                    | 4                    | 0               |              | 0         |
| October             | 770                                      | 0                    | 4                    | 0               |              | 0         |
| November            | 706                                      | 0                    | 4                    | 0               |              | 0         |
| December            | 772                                      | 0                    | 4                    | 0               |              | 0         |
| If yes, provide     | any have an ADWR Ga<br>the GPCPD amount: | NA                   | ]                    | ·               |              | <u>vo</u> |
| lf yes, which A     |  | ç                    |                      |                 |              | NO<br>NA  |
| What is the pre-    | sent system connection                   | capacity (in ERCs    | *) using existing li | nes?            |              | 0         |
| What is the fut     | ire system connection ca                 | apacity (in ERCs *   | ) upon service area  | buildout?       |              | 0         |
|                     | ans and estimated comp                   | eletion dates for an | y enlargements or    | improvements of | this system. |           |
| NA                  |  |                      |                      |                 |              |           |
|                     |  |                      |                      |                 |              |           |
|                     |  |                      |                      |                 |              |           |

 $\ensuremath{^*}$  an ERC is based on the calculation on the bottom of AR9 page 12.

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

| Utility Shutoffs / Disconnects |                         |  |  |  |  |
|--------------------------------|-------------------------|--|--|--|--|
| Name of the System:            | STARLIGHT WATER COMPANY |  |  |  |  |
| ADEQ Public Water Sys          | AZ0403063               |  |  |  |  |
| ADWR PCC Number:               | 91-000102.0000          |  |  |  |  |

|           |                     | Termination with |       |
|-----------|---------------------|------------------|-------|
| Month     | Termination without | Notice R14-2-    |       |
|           | Notice R14-2-410.B  | 410.C            | Other |
| January   | 0                   | 5                | 0     |
| February  | 0                   | 2                | 0     |
| March     | 0                   | 1                | 0     |
| April     | 0                   | 0                | 0     |
| May       | 0                   | 4                | 0     |
| June      | 0                   | 4                | 0     |
| July      | 0                   | 0                | 0     |
| August    | 0                   | 2                | 0     |
| September | 0                   | 3                | 0     |
| October   | 0                   | 3                | 0     |
| November  | 0                   | 2                | 0     |
| December  | 0                   | 4                | 0     |
| Total     | 0                   | 30               | 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.

Starlight Water Company, Inc. Annual Report Property Taxes 12/31/22

# **Property Taxes**

Amount of actual property taxes paid during Calendar Year 2022 was

\$8,669

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.

Starlight Water Company, Inc. 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):COCHISEName (owner or official) title:DUSTIN DESPAIN, ACCOUNTANTCompany name:Starlight 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<br>UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND<br>CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS<br>REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE,<br>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 SALD COMPANY ARE CURRENT AND PAID IN FULL.   |
|                  | signature of owner/official   |
|                  | 520-265-5350<br>telephone no.   |
|                  | SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC<br>IN AND FOR THE COUNTY  |
|                  | THIS DAY OF (county name)<br>(month) and (year)   |
|                  | MY COMMISSION EXPIRES<br>TRESSA MERRILL<br>Notary Public, State of Arizona<br>Cochise County<br>Commission # 572184<br>My Commission Expires<br>October 17, 2023<br>(signature of notary public)  |

Starlight Water Company, Inc. Annual Report Verification and Sworn Statement 12/31/22

|                                 | Verification and Sworn Statement                                      |
|---------------------------------|---|
| Verification:                   |   |
| State of ARIZONA                | A I, the undersigned of the   |
| (state name                     | e)  |
| County of (county name):        | COCHISE   |
| Name (owner or official) title: | DUSTIN DESPAIN, ACCOUNTANT  |
| Company name: Sta               | arlight Water Company, Inc.   |
|                                 |   |
|                                 | JTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA              |
| CORPORATION COMMISSION.         |   |
|                                 |   |
|                                 |   |
| FOR THE YEAR ENDING:            | 12/31/22  |
|                                 |   |
|                                 |   |
|                                 | MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID     |
|                                 | ULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE         |
|                                 | F 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               |

# 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:

KNOWLEDGE, INFORMATION AND BELIEF.

| <br>(T   | he amount in the box abo  | 375,966<br>ove includes<br>\$25,925 in sales taxe | Aud                |
|--|---|---|--------------------|
|  |   | signature of                                      | owner/official     |
|  |   | 520-2   | 65-5350            |
|  |   | teleph  | none no.           |
| SUBSCRIBED A<br>IN AND FOR TH  | ND SWORN TO BEFO<br>IE COUNTY   | RE ME A NOTARY                                    | nise)              |
| THIS   | 15  | DAY OF  | (county name)      |
|  |   | DAY OF  | (month) and (year) |
| MY COMMISSIO   | ON EXPIRES  | Det 17  | 2073               |
| Notary Pub<br>Coo<br>Commi<br>My Com   | SSA MERRILL<br>blic, State of Arizona<br>thise County<br>ission # 572184<br>mission Expires<br>ber 17, 2023 | (date)  | eril               |
| and the second |   | (signature of                                     | notary public)     |

Starlight Water Company, Inc. Annual Report Verification and Sworn Statement (Residential Revenue) 12/31/22

|                  | Verification and Sworn Statement (Residential Revenue)  |
|------------------|---|
| Verification:    |   |
|                  | State of ARIZONA I, the undersigned of the (state name)   |
|                  | County of (county name):COCHISEName (owner or official) title:DUSTIN DESPAIN, ACCOUNTANTCompany name:Starlight 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<br>OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE<br>A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE<br>PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET<br>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<br>REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID<br>UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM<br>RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:  |
|                  | Arizona Intrastate Gross Operating Revenues Only (\$)<br>S375,966<br>(The amount in the box above includes<br>S25,925 in sales taxis<br>billed or collected)<br>Signature of owner/official   |
|                  | 520-265-5350<br>telephone no.   |
|                  | SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC<br>IN AND FOR THE COUNTY (county name)  |
|                  | THIS 5 DAY OF May 3073<br>(month) and (year)  |
|                  | MY COMMISSION EXPIRES<br>PESSA MERRILL<br>Fublic, State of Arizona<br>Cochise County<br>mission # 572184<br>Ommission Expires<br>October 17, 2023<br>(signature of notary public)   |

Starlight Water Company, Inc. 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):COCHISEName (owner or official) title:DUSTIN DESPAIN, ACCOUNTANTCompany name:Starlight Water Company, Inc.  |
|                  | FOR THE YEAR ENDING: 12/31/22   |
| Sworn Statement: | IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY<br>REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE<br>UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME<br>TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET FOR A CARRY FORWARD ACCORDING TO<br>GAAP IN AN AMOUNT EQUAL TO OR GREATER THAN THE AMOUNT OF THE REQUIRED GROSS UP<br>PAID BY DEVELOPERS IN THE PERIOD COVERED BY THIS ANNUAL REPORT. |
|                  | signature of owner/official   |
|                  | 520-265-5350<br>telephone no.   |
|                  | SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC<br>IN AND FOR THE COUNTY (county name)  |
|                  | THIS 15 DAY OF May 2023 (month) and (year)  |
|                  | MY COMMISSION EXPIRES<br>TRESSA MERRILL<br>Notary Public, State of Arizone<br>Cochise County<br>Commission # 572184<br>My Commission Expires<br>October 17, 2023<br>(date)<br>(date)<br>(date)<br>(date)<br>(date)<br>(date)<br>(date)<br>(date)<br>(date)<br>(date)  |