ANNUAL REPORT

Of

Company Name: WATCO, Inc.

PO Box 245

Mailing Address:

Docket No.:

Taylor AZ

5/15/2023, 3:26 PM

85939

ARIZONA CORPORATION COMMISSION UTILITIES DIVISION

RECEIVED

BY EMAIL

W-20475A

For the Year Ended:

12/31/22

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

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

Application Type: Original Filing

Application Date: 5/15/2023

ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT WATCO, Inc.

A Class E Utility

For the Calendar Year E	Ended: <u>12/31/22</u>					
Primary Address:	PO BOX 85160					
	TUCSON	<u></u>	State: ARIZONA		Zip Code: [8	35754
•		_	l ·		, . L	
Telephone Number:	520-623-5172					
Date of Original Organi	zation of Utility:	9/1/19	63			
Person to whom corresp	ondence should be addresse	ed concern	ing this report:			
	DORINDA CHACON					
Telephone No.:	520-623-5172					
-	PO BOX 85160					
City:	TUCSON		State: ARIZONA		Zip Code: 8	35754
	INFO@SOUTHWESTERN	UTILITY C	Ų <u>Μ</u>			
	-					
Name:		· · · · · · · · · · · · · · · · · · ·				
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. Address:						
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	Later and the second se					
Ownership:	"S" Corporation					
•	<u> </u>		•			
Counties Served:	Navajo					
						Page 2

ARIZONA CORPORATION COMMISSION WATER UTILITY ANNUAL REPORT WATCO, 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
year?
If yes, please provide specific details in the box below.
NA
NO Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
If yes, please provide specific details in the box below.
NA 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	\$1,542	\$0	\$0	\$1,542	\$1,542	\$0
302	Franchises	7	0	0	7	7	0
303	Land and Land Rights	27,094	0	0	27,094	0	27,094
304	Structures and Improvements	47,958	0	0	47,958	25,009	22,949
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	48,807	0	0	48,807	45,389	3,418
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	44,821	11,293	0	56,114	45,527	10,587
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	0	Ö	0	0	0	0
330.1	Storage Tanks	74,796	0	0	74,796	39,404	35,392
330.2	Pressure Tanks	46,800	0	0	46,800	49,140	(2,340)
331	Transmission and Distribution Mains	1,114,081	700	0	1,114,781	630,674	484,107
333	Services	99,799	3,123	0	102,922	93,225	9,697
334	Meters and Meter Installations	30,359	560	0	30,919	27,784	3,135
335	Hydrants	0	0	0	0	0	0
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	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	Ö	0	0	0
343	Tools, Shop and Garage Equipment	1,257	0	0	1,257	94	1,163
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0		0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0		0	0
	Totals	\$1,537,321	\$15,676	\$0	\$1,552,997	\$957,795	\$595,202

WATCO, 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 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	\$1,542	\$0	\$0	\$1,542	\$1,542	\$0	0.00%	
302	Franchises	7	0	0	7	7	0	0.00%	0
303	Land and Land Rights	27,094	0	0	27,094	27,094	0	0.00%	0
304	Structures and Improvements	47,958	0	0	47,958	0	47,958	3.33%	1
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	2.50%	
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	
307	Wells and Springs	48,807	0	0	48,807	0	48,807	3.33%	
308	Infiltration Galleries	0	0	0	0	0	0	6.67%	
309	Supply Mains	0	0	0	0	0	0	2.00%	
310	Power Generation Equipment	0.	0	0	0	0	0	5.00%	
311	Pumping Equipment	44,821	11,293	0	56,114	44,821	11,293	12.50%	
320	Water Treatment Equipment	0	0	0	0	0	Õ	0.00%	1
320.1	Water Treatment Plants	0	0	0	0	0	0	3.33%	
320.2	Solution Chemical Feeders	0	0	0	0	0	0	20.00%	
320,3	Point-of-Use Treatment Devices	0	0	0	0	0	0	10.00%	
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	
330.1	Storage Tanks	74,796	0	0	74,796	0	74,796	2.22%	1,660
330.2	Pressure Tanks	46,800	0	0	46,800	0	46,800	5.00%	2,340
331	Transmission and Distribution Mains	1,114,081	700	0	1,114,781	0	1,114,781	2.00%	22,289
333	Services	99,799	3,123	0	102,922	0	102,922	3,33%	3,375
334	Meters and Meter Installations	30,359	560	0	30,919	27,389	3,530	8.33%	271
335	Hydrants	0	0	0	0	0	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	6.67%	. 0
340	Office Furniture and Equipment	0	0	0	0	0	0	6.67%	0
340.1	Computer & Software	0	0	0	0	0	0	20.00%	. 0
341	Transportation Equipment	0	0	0	0	0	0	20,00%	0
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	1,257	0	0	1,257	0	1,257	5.00%	63
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	5.00%	0
346	Communication Equipment	0	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	Ö	5.00%	0
	Subtotal	\$1,537,321	\$15,676	\$0	\$1,552,997	\$100,853	\$1,452,144		\$33,926

 Contribution(s) in Aid of Construction (Gross)
 \$0

 Less: Non Amortizable Contribution(s)
 0

 Fully Amortized Contribution(s)
 0

 Amortizable Contribution(s)
 \$0

 Times: Proposed Amortization Rate
 2.28%

 Amortization of CIAC
 \$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE \$33,926

WATCO, Inc. Annual Report Balance Sheet Assets 12/31/22

	Balance Sheet Assets		
	Assets	Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current and Accrued Assets		
131	Cash	\$50,878	\$17,062
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	32,194	(22,793)
146	Notes Receivable from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	Total Current and Accrued Assets	\$83,072	(\$5,731)
Account No.	Fixed Assets		
101	Utility Plant in Service*	\$1,537,321	\$1,552,997
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation (enter as negative)*	(923,869)	(957,795)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility	0	0
	Total Fixed Assets	\$613,452	\$595,202
	Total Assets	\$696,524	\$589,471

*Note these items feed automatically from AR3 UPIS Page 4

WATCO, Inc. Annual Report Balance Sheet Liabilities and Owners Equity

	Balance Sheet Liabilities and Ow	ners Equity	
	Liabilities	Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities		
231	Accounts Payable	\$7,202	(\$1,108)
232	Notes Payable (Current Portion)	0	0
234	Notes Payable to Associated Companies	0	0
235	Customer Deposits	0	0
236	Accrued Taxes	888	(2,394)
237	Accrued Interest	0	0
242	Miscellaneous Current and Accrued Liabilities	0	0
	Total Current Liabilities	\$8,090	(\$3,502)
	Long Term Debt		
224	Long Term Debt (Notes and Bonds)	\$0	\$31,273
	Deferred Credits		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction	0	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
·	Total Deferred Credits	\$0	\$0
	Total Liabilites	\$8,090	\$27,771
	Capital Accounts		
201	Common Stock Issued	\$0	\$0
211	Other Paid-In Capital	615,806	627,378
215	Retained Earnings	72,628	(65,678)
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	Total Capital	\$688,434	\$561,700
	Total Liabilities and Capital	\$696,524	\$589,471

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

	Water Comparative	Income Statement	
Account No.	Calendar Year	Current Year	Last Year
		01/01/2022 - 12/31/2022	01/01/2021 - 12/31/2021
	Operating Revenue		
461	Metered Water Revenue	\$174,000	\$191,447
460	Unmetered Water Revenue	0	(
462	Fire Protection Revenue	0	(
469	Guaranteed Revenues (Surcharges)	0	
471	Miscellaneous Service Revenues	0	
474	Other Water Revenue	1,555	2,10
	Total Revenues	\$175,555	\$193,55
			••
	Operating Expenses		
601	Salaries and Wages	\$0	\$
604	Employee Pensions and Benefits	, 0	
610	Purchased Water	0	
615	Purchased Power	15,024	11,34
618	Chemicals	0	
620	Materials and Supplies	0	1,09
620.1	Repairs and Maintenance	9,284	13,08
620.2	Office Supplies and Expense	2,898	4,60
630	Contractual Services	-,:	
631	Contractual Services - Engineering	0	
632	Contractual Services - Accounting	80,185	95
633	Contractual Services - Accounting	163	,,,
634	Contractual Services - Legal Contractual Services - Management Fees	75,283	101,07
635	Contractual Services - Water Testing	3,229	4,24
636	Contractual Services - Water Testing Contractual Services - Other	2,080	3,36
640	Rents	2,000	3,30
641	Rental of Building/Real Property	0	
642	Rental of Equipment	3,492	
650	Transportation Expenses	2,549	5,31
657	Insurance - General Liability	1,965	5,51
657.1	Insurance - General Elability Insurance - Health and Life	0	
665	Regulatory Commission Expense - Rate	2,005	
	 	2,003	
670 675	Bad Debt Expense Miscellaneous Expense	1,190	
		· · · · · · · · · · · · · · · · · · ·	32,69
403	Depreciation Expense (From Schedule AR4)	33,920	32,09
408	Taxes Other Than Income	0	9,89
408.11	Property Taxes	0	9,09
409	Income Taxes	0	
427.1	Customer Security Deposit Interest	<u> </u>	
	Total Operating Expenses	\$233,273	\$187,67
	Operating Income / (Loss)	(\$57,718)	\$5,87
			<u> </u>
410	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$
421	Non-Utility Income	0	3
426	Miscellaneous Non-Utility (Expense)	(4)	
427	Interest (Expense)	(754)	<u> </u>
	Total Other Income / (Expense)	(\$758)	\$3
	Net Income / (Loss)	(\$58,476)	\$5,91

WATCO, Inc. Annual Report Full time equivalent employees 12/31/22

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.5	0.0	0.0	0.5
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.0	0.0
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	0.5	0.5
Meter reader	0.0	0.0	0.5	0.5
Customer Service	0.0	0.0	0.2	0.2
Accounting	0.0	0.0	0.2	0.2
Business Office	0.0	0.0	0.0	0.0
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	1.4	1.9

WATCO, 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	6/1/2008	NA	NA	NA							
Source of Loan	WIFA	0	0	0							
ACC Decision No.	70055	0	0	0							
Reason for Loan	INFRASTRUCTU	0	0	0							
Dollar Amt. Issued	\$600,000	\$0	\$0	\$0							
Amount Outstanding	\$31,273	\$0	\$0	\$0							
Date of Maturity	6/26/2028	NA	NA	NA							
Interest Rate	1.90%	0.00%	0.00%	0.00%							
Current Year Interest	\$754	\$0	\$0	\$0							
Current Year Principal	\$5,678	\$0	\$0	\$0							

Meter Deposit Balance at Test Year End:	\$0	
Meter Deposits Refunded During the Test Year	*:	\$0

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.

ADWR PCC Number:

Source of water received
Well registry 55# (55-XXXXXX):

Name of the System:		BOURDON RANG	CH ESTATES				1				
ADEQ Public Water Syst	em Number:		AZ0409049		1		•				
ADWR PCC Number:		**	91-000393,0000		1						
Well registry 55# (55-		j	Casing Depth	Casing Diameter	Pump Motor	Year	Water level	Water level	Meter Size	How	
XXXXXXX):	Pump Horsepower	Pump Yield (gpm)	(feet)	(inches)	Type **	Drilled	2012	2022	(inches)	measured:	Active
55-603156	10	58	538	8	SUBMERSIBLE	1964	480	480	2	METERED	YE
55-506606	5	31	440	6	SUBMERSIBLE	1983	300	300	2	METERED	YE
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		Military et est est						31 1 1 1			Pall Server
Name of system water de	livered to:	1 1 1 1 1 1 1 1 1	7 T ST 187		2 P. C.]				
ADWR PCC Number:			NA				-				
Source of water delivered	to another system	NA			-						

	Water withdrawn	Water sold	Water delivered (sold) to other	Water received (purchased) from other systems	Estimated authorized use	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
Month	(gallons)I	(gallons)2	systems (gallons)3		(gallons)5		
January	1,129,658.00	1,456,780.00	0.00	0.00	0.00	\$1,364	10,321
February	1,176,889.00	1,030,350.00	0.00	0.00	0.00	1,228	10,103
March	1,318,238.00	1,130,802.00	0.00	0 00	0.00	1,301	10,301
April	1,016,303.00	987,710.00	0.00	0.00	0.00	1,251	10,110
May	1,379,936.00	1,255,405.00	0.00	0.00	0.00	1,341	10,305
June	1,721,037.00	1,573,410.00	0.00	0.00	0.00	1,419	10,521
July	3,306,549.00	1,528,711.00	0.00	0.00	0.00	1,339	10,299
August	1,642,305.00	1,254,903.00	0.00	0.00	0.00	1,260	10,153
September	1,915,391.00	1,593,240.00	0.00	0.00	0.00	1,222	10,100
October	1,180,331,00	1,044,580.00	0.00	0.00	0.00	1,024	8,393
November	1,327,037.00	1,128,480.00	0.00	0.00	0.00	1,114	9,311
December	1,545,871.00	1,109,880.00	0.00	0.00	0.00	1,161	9,321
Totals	18,659,545.00	15,094,251.00	0.00	0.00	0.00	\$15,024	119,238

NA NA

1 Water withdrawn - Total gallons of water withdrawn from pumped sources.
2 Water sold - Total gallons from customer meters, and other sales such as construction water.
3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems.
4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.
5 Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) drawing/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.

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

Water Utility Plant Description					
Name of the System:	BOURDON RANCH ESTATES				
ADEQ Public Water System Number:	AZ0409049				
ADWR PCC Number:	91-000393.0000]			

MAINS					
Sizes (inches)	Material	Length (feet)			
2.00	PVC	33,872			
4.00	PVC	9,206			
6.00	PVC	1,700			

SERVICE LINES				
		Year		
Material	Percent of system	installed		
PVC	61%	0		
HDPE	39%	0		
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		· · · · · · · · · · · · · · · · · · ·		

CUSTOMER METERS					
Size (inches)	Quantity	Percent over 1,000,000 gallons			
5/8 X 3/4	342	0%			

BOOSTER PUMPS					
Horsepower	GPM		Quantity		
2		50	7		
tario Oligi (Alberte) e t	Marian, Agranda a la Maria de Cara				
Franklicher der Geraffende		in a substitution of the second	agent transfer		

STORAGE TANKS				
Capacity (gallons)	Material	Quantity	Year installed	
10,000	METAL	1	0	
25,000	METAL	1	0	
	MANAGE AS A STORY OF THE STORY			
	general europea de escolorues de la prépare de la complexión en la complexión en la complexión de la complexión			

FIRE HYDRANTS		
Туре	Quantity	
Standard *	1	
Other	0	

PRESSURE/BLADDER TANKS						
Capacity (gallons)	Material	Quantity	Year installed			
3,000	METAL	1	0			
120	METAL	4	0			
	177					
			11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			
			194			

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

Water Utility Plant Description (Continued)				
For the following three items, list the utility owned assets in each category for each system.				
TREATMENT EQUIPMENT:	NONE			
STRUCTURES:	12X30 BUILDING, 20X20 BUILDING			
OTHER:	NONE			
Provide a calcular Use one of the following (a)	ation used to determine the value of one water equivalent residential connection (ERC). Illowing methods: 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: ERC = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)			
ERC Method used:	(a)			

Customer and Other Information					
Name of the System:	BOURDON RAN	NCH ESTATES			
ADEQ Public Water System Number:		AZ0409049			
ADWR PCC Number:		91-000393.0000			

		Nu	mber of Customers	1	·
Month	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non- Residential
January	324	0	0	0	0
February	322	0	0	0	0
March	325	0	0	0	0
April	325	0	0	0	0
May	324	0	0	0	0
June	324	0	0	0	0
July	327	0	0	0	0
August	327	0	0	0	.0
September	329	0	0	0	0
October	329	0	0	0	0
November	329	0	0	0	0
December	328	0	0	0	0

the system has fire hydrants, what is the fire flow requirements? O GPM for O hrs.
oes the system have chlorination treatment?
oes the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement? NO Yes, provide the GPCPD amount: 0
the Water Utility located in an ADWR Active Management Area (AMA)? NO NA NA
That is the present system connection capacity (in ERCs *) using existing lines?
/hat is the future system connection capacity (in ERCs *) upon service area buildout?
escribe any plans and estimated completion dates for any enlargements or improvements of this system.
A

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

WATCO, Inc. Annual Report Utility Shutoffs / Disconnects 12/31/22

Utility Shutoffs / Disconnects			
Name of the System:	BOURDON RANCH ESTATES		
ADEQ Public Water System Number:		AZ0409049	
ADWR PCC Number:		91-000393.0000	

		Termination with	
Month	Termination without	Notice R14-2-	
	Notice R14-2-410.B	410.C	Other
January	0	6	0
February	0	4	0
March	0	3	0
April	0	5	0
May	0	6	0
June	0	3	0
July	0	5	0
August	0	5	0
September	0	6	0
October	0	4	0
November	0	1	0
December	0	2	0
Total	0	50	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.

WATCO, Inc. Annual Report Property Taxes 12/31/22

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2022 was	\$0
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.

WATCO, Inc. Annual Report Verification and Sworn Statement (Taxes) 12/31/22

12/31/22							
-		***************************************	Verification	and Sworn Stater	nent (Taxes)		
Verification:	State of	ARIZONA (stat	te name)	I, the undersigne	d of the		
		(county name): ner or official) title name:	WATCO, Inc.	COCHISE DUSTIN DESPA	AIN, ACCOUNT	ANT	
	DO SAY T		JAL UTILITY PF	ROPERTY TAX A	ND SALES TAX	REPORT TO TH	E ARIZONA CORPORATION
	FOR THE	YEAR ENDING:		12/31/2	22		
	UTILITY; CORRECT REPORT	THAT I HAVE C. T STATEMENT O	AREFULLY EXA F BUSINESS AN EACH AND EVE	AMINED THE SAI ID AFFAIRS OF S	ME, AND DECL AID UTILITY FO	ARE THE SAME OR THE PERIOD	AND RECORDS OF SAID TO BE A COMPLETE AND COVERED BY THIS BEST OF MY KNOWLEDGE,
Sworn Statement:	I HEREBY	ATTEST THAT	ALL PROPERTY	TAXES FOR SA	ID COMPANY A	ARE CURRENT A	ND PAID IN FULL.
	LHERERY	ATTEST THAT	ALL SALES TAX	XES FOR SAID CO	OMPANY AREY	CURRENT AND I	PAID IN FULL
	THERES	THE STREET	TEB OILEBO III		huld		THE HAT CELLS
					signa	ture of owner/offic	cial
						520-265-5350	
						telephone no.	
			SUBSCRIBED A	AND SWORN TO HE COUNTY	BEFORE ME A	NOTARY PUBLI	Cochise
			THIS	15		DAY OF	(county name) (month) and (year)
			MY COMMISSI			Oct 17 at (date)	023
			Coch Commis My Comn	SA MERRILL ic, State of Arizona ise County sion # 572184 nission Expires er 17, 2023	Am	(signature of i	notary public)

WATCO, Inc. Annual Report Verification and Sworn Statement 12/31/22

12/31/22		
	Verification and Sworn Statement	
Verification:	State of ARIZONA I, the undersigned of the (state name) County of (county name): COCHISE Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT Company name: WATCO, 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 TREPORT 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 (\$) \$175,555 (The amount in the box above includes \$13,635 in sales taxes billed or collected)	
	signature of owner/official 520-265-5350	
	telephone no.	
	SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY	
	THIS DAY OF (county name) (month) and (year))
	MY COMMISSION EXPIRES TRESSA MERRILL Notary Public, State of Arizona Cochise County Commission # 572184 My Commission Expires October 17, 2023 (date)	

(signature of notary public)

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

Verification:	
	State of ARIZONA I, the undersigned of the
	(state name)
	County of (county name): COCHISE
	Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
	Company name: WATCO, 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
	TOR THE TEAR 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:
	A ' Literature Commence Control (C)
	Arizona Intrastate Gross Operating Revenues Only (\$) \$175,555
	(The amount in the box above includes
	\$13,635 in sales taxes
	billed or collected)
	signature of owner/official
	520-265-5350
	telephone no.
	CURCONIDED AND CWODY TO DEFORE ME A NOTARY BURLING
	SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
	IN AND FOR THE COUNTY (DC) 150
	(county name)
	THIS STATE DAY OF WALL 2023
	(month) and (year)
	(month) and (year)
	MY COMMISSION EXPIRES OCT 17 2023
	(date)
	TRESSA MERRILL Notary Public, State of Arizona
	Cochise County
	Commission # 572184 My Commission Expires
	October 17, 2023 (signature of notary public)

Verification and Sworn Statement (Residential Revenue)

WATCO, 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): Name (owner or official) title: Company name: COCHISE DUSTIN DESPAIN, ACCOUNTANT WATCO, 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.
	signature of owner/official
	520-265-5350 telephone no.
	SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC IN AND FOR THE COUNTY
	THIS DAY OF May 2023 (month) and (year)
	TRESSA MERRILL Notary Public, State of Arizona Cochise County Commission # 572184 My Commission Expires October 17, 2023 (signature of notary public)