

RECEIVED
UTILITIES DIVISION
2019 APR 17 A 8:21

ANNUAL REPORT

Of

Company Name:
PO Box ~~364~~ **245**
Mailing Address: ~~Overgaard~~ **Taylor** AZ
~~85933~~ **85939**
Docket No.: W-20475A
For the Year Ended:

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

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

Application Type:
Application Date:

4-22-19

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
WATCO, Inc.

A Class Utility

1. For the Calendar Year Ended:

2. Address:
City: State: Zip Code:

3. Telephone Number:

4. Date of Original Organization of Utility:

5. Person to whom correspondence should be addressed concerning this report:

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

6. On-Site Manager:

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

7. Ownership:

8. Counties Served:

Utility Plant in Service (Water)

Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$1,542	\$0	\$0	\$1,542	\$0	\$1,542
302	Franchises	7	0	0	7	0	7
303	Land and Land Rights	27,094	0	0	27,094	0	27,094
304	Structures and Improvements	47,958	0	0	47,958	18,621	29,337
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	38,889	9,918
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	0	0	44,821	44,821	0
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	0	0	0	0	0
330.1	Storage Tanks	74,796	0	0	74,796	30,684	44,112
330.2	Pressure Tanks	46,800	0	0	46,800	40,066	6,734
331	Transmission and Distribution Mains	1,114,081	0	0	1,114,081	541,539	572,542
333	Services	99,799	0	0	99,799	79,881	19,918
334	Meters and Meter Installations	27,389	0	0	27,389	26,863	526
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	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,533,094	\$0	\$0	\$1,533,094	\$821,364	\$711,730

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
Depreciation Expense for the Current Year (Water)
12/31/18

Depreciation Expense for the Current Year (Water)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$1,542	\$0	\$0	\$1,542	\$1,542	0.00%	\$0
302	Franchises	7	0	0	7	7	0.00%	0
303	Land and Land Rights	27,094	0	0	27,094	27,094	0.00%	0
304	Structures and Improvements	47,958	0	0	47,958	0	3.33%	1,597
305	Collecting & Improving Reservoirs	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0.00%	0
307	Wells and Springs	48,807	0	0	48,807	0	3.33%	1,625
308	Infiltration Galleries	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0.00%	0
311	Pumping Equipment	44,821	0	0	44,821	44,821	0.00%	0
320	Water Treatment Equipment	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	74,796	0	0	74,796	0	5.00%	3,740
330.2	Pressure Tanks	46,800	0	0	46,800	0	5.00%	2,340
331	Transmission and Distribution Mains	1,114,081	0	0	1,114,081	0	2.00%	22,282
333	Services	99,799	0	0	99,799	0	3.33%	3,323
334	Meters and Meter Installations	27,389	0	0	27,389	26,757	8.33%	53
335	Hydrants	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$1,533,094	\$0	\$0	\$1,533,094	\$100,221		\$34,960

Contribution(s) in Aid of Construction (Gross)	\$769,974
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	18,570
Amortizable Contribution(s)	\$751,404
Times: Proposed Amortization Rate	2.44%
Amortization of CIAC	\$18,333

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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
 Balance Sheet Assets
 12/31/18

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current and Accrued Assets			
131	Cash		\$18,073	\$10,497
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		13,480	15,117
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		\$31,553	\$25,614
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,533,094	\$1,533,094
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(786,404)	(821,364)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$746,690	\$711,730
	Total Assets		\$778,243	\$737,344

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.

*Note these items feed automatically from AR3 UPIS Page 3

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

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2018)	Balance at End of Year (2018)
Account No.	Current Liabilities			
231	Accounts Payable		\$0	\$0
232	Notes Payable (Current Portion)		4,307	4,307
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		2,720	2,720
236	Accrued Taxes		0	0
237	Accrued Interest		2,398	3,046
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$9,425	\$10,073
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$53,362	\$53,362
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		230,281	203,715
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		761,119	769,974
272	Less: Amortization of Contributions		(18,570)	(36,903)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$972,830	\$936,786
	Total Liabilities		\$1,035,617	\$1,000,221
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	0
215	Retained Earnings		(257,374)	(262,877)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		(\$257,374)	(\$262,877)
	Total Liabilities and Capital		\$778,243	\$737,344

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.

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

WATCO, Inc.
Annual Report
Water Comparative Income Statement
12/31/18

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2018 - 12/31/2018	Last Year 01/01/2017 - 12/31/2017
	Operating Revenue		
461	Metered Water Revenue	\$187,357	\$193,078
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	1,177	2,862
	Total Revenues	\$188,534	\$195,940
	Operating Expenses		
601	Salaries and Wages	\$96,031	\$98,162
604	Employee Pensions and Benefits	47	60
610	Purchased Water	0	0
615	Purchased Power	10,347	10,022
618	Chemicals	5	13
620	Materials and Supplies	606	595
620.1	Repairs and Maintenance	5,238	2,748
620.2	Office Supplies and Expense	4,463	4,226
630	Contractual Services	11,048	11,752
631	Contractual Services -Engineering	0	0
632	Contractual Services - Accounting	6,187	5,076
633	Contractual Services - Legal	713	518
634	Contractual Services - Management Fees	0	1,556
635	Contractual Services - Water Testing	508	1,562
636	Contractual Services - Other	203	295
640	Rents	0	0
641	Rental of Building/Real Property	3,432	3,432
642	Rental of Equipment	6,835	6,983
650	Transportation Expenses	8,221	8,853
657	Insurance - General Liability	4,675	3,872
657.1	Insurance - Health and Life	2,832	2,671
665	Regulatory Commission Expense - Rate	896	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	416	129
403	Depreciation Expense (From Schedule AR4)	16,627	16,390
408	Taxes Other Than Income	10,694	10,585
408.11	Property Taxes	4,014	9,586
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$194,038	\$199,086
	Operating Income / (Loss)	(\$5,504)	(\$3,146)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$1	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$1	\$0
	Net Income / (Loss)	(\$5,503)	(\$3,146)

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
 Supplemental Financial Data (Long-Term Debt)
 12/31/18

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/0/1900	N/A	N/A	N/A
Source of Loan	WIFA	0	0	0
ACC Decision No.	7005	0	0	0
Reason for Loan	Infrastructure	0	0	0
Dollar Amt. Issued	\$600,000	\$0	\$0	\$0
Amount Outstanding	\$53,362	\$0	\$0	\$0
Date of Maturity	6/26/2028	N/A	N/A	N/A
Interest Rate	1.90%	0.00%	0.00%	0.00%
Current Year Interest	\$2,730	\$0	\$0	\$0
Current Year Principal	\$4,307	\$0	\$0	\$0

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

Well and Water Usage

Name of the System: BOURDON RANCH ESTATES									
ADEQ Public Water System Number: 9049									
ADWR PCC Number: 91-000393.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Meter Size (inches)	How measured:	Active
55-603156	10	58	538	8	Submersible	1964	2	Metered	Yes
55-506606	5	31	440	6	Submersible	1983	2	Metered	Yes
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		
None	0	0	0	0	None	0	0		

Name of system water delivered to: _____

ADWR PCC Number: _____

Source of water delivered to another system: _____

Name of system water received from: _____

ADWR PCC Number: _____

Source of water received: _____

Well registry 55# (55-XXXXXX): _____

Month	Water withdrawn (acre ft) ¹	Water sold (acre ft) ²	Water delivered (sold) to other systems (acre ft) ³	Water received (purchased) from other systems (acre ft) ⁴	Estimated authorized use (acre ft) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	3	3	0	0	0	\$687	5,190
February	3	2	0	0	0	597	4,649
March	3	3	0	0	0	665	5,249
April	3	3	0	0	0	723	5,856
May	4	3	0	0	0	967	8,415
June	5	5	0	0	0	931	8,346
July	5	4	0	0	0	690	5,784
August	3	3	0	0	0	739	6,309
September	4	4	0	0	0	700	5,920
October	3	3	0	0	0	668	5,519
November	3	3	0	0	0	690	5,776
December	3	2	0	0	0	708	5,922
Totals	42	36	0	0	0	\$8,764	72,935

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

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

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

Water Utility Plant Description

Name of the System:	WATCO, Inc.	
ADEQ Public Water System Number:	9049	
ADWR PCC Number:	91-000393.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	AC/PVC	33,872
6.00	PVC	9,206
8.00	PVC	1,700
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

CUSTOMER METERS	
Size (inches)	Quantity
5/8 X 3/4	342
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0
NA	0

SERVICE LINES	
Material	Percent of system
PVC	61%
HDPE	39%
NA	0%
NA	0%
NA	0%

BOOSTER PUMPS		
Horsepower	GPM	Quantity
2	50	7
0	0	0
0	0	0
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard *	1
Other	0

STORAGE TANKS		
Capacity (gallons)	Material	Quantity
100,000	Metal	1
25,000	Meral	1
0	0	0
0	0	0
0	0	0
0	0	0

PRESSURE/BLADDER TANKS		
Capacity (gallons)	Material	Quantity
3,000	Metal	1
120	Metal	4
0	0	0
0	0	0
0	0	0
0	0	0

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. Copy and paste this sheet as many times as is necessary.

* 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
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STRUCTURES:	12' X 30' Building, 20' X 20' Building
--------------------	--

OTHER:	None
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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. Copy and paste this sheet as many times as is necessary.

Customer and Other Information	
Name of the System:	WATCO, Inc.
ADEQ Public Water System Number:	9049
ADWR PCC Number:	91-000393.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	285	0	0	0	0
February	283	0	0	0	0
March	283	0	0	0	0
April	284	0	0	0	0
May	285	0	0	0	0
June	285	0	0	0	0
July	286	0	0	0	0
August	287	0	0	0	0
September	293	0	0	0	0
October	291	0	0	0	0
November	291	0	0	0	0
December	290	0	0	0	0

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

Does the system have chlorination treatment?

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

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?

If yes, which AMA?

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. Copy and paste this sheet as many times as is necessary.

WATCO, Inc.
Annual Report
Property Taxes
12/31/18

Property Taxes	
-----------------------	--

Amount of actual property taxes paid during Calendar Year 2018 was	\$4,014
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If no property taxes paid, explain why. N/A
--

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

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Navajo
Name (owner or official) title: Mark Grapp
Company name: WATCO, Inc.

RECEIVED
UTILITIES DIVISION
2019 APR 17 A 8:22
ARIZONA CORPORATION COMMISSION

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

FOR THE YEAR ENDING: 12/31/18

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

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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$188,534

(The amount in the box above includes

\$10,694 in sales taxes

billed or collected)

[Handwritten Signature]

signature of owner/official

928-537-8739

telephone no.

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

Cochise

(county name)

THIS

12th

DAY OF

April 2019

(month) and (year)

MY COMMISSION EXPIRES

1/13/2023

(date)



[Handwritten Signature: Heather Richardson]
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Navajo
Name (owner or official) title: Mark Grapp
Company name: WATCO, Inc.

RECEIVED
UTILITIES DIVISION
2019 APR 17 A 8:22
ARIZONA CORPORATION
COMMISSION

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

FOR THE YEAR ENDING: 12/31/18

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

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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$188,534

(The amount in the box above includes

\$10,694 in sales taxes
billed or collected)



signature of owner/official

928-537-8739

telephone no.

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

Cochise
(county name)

THIS

12th

DAY OF

April 2019
(month) and (year)

MY COMMISSION EXPIRES

1/13/2023
(date)



Heather Richardson
(signature of notary public)

Verification and Sworn Statement (Taxes)

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

2019 APR 17 A 8:22

County of (county name): Navajo
Name (owner or official) title: Mark Grapp
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: 12/31/18

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

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

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

[Handwritten Signature]

signature of owner/official

928-537-8739

telephone no.

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IN AND FOR THE COUNTY

THIS

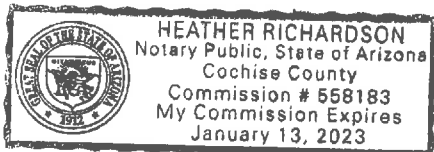
12th

DAY OF

Cochise
(county name)
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(month) and (year)

MY COMMISSION EXPIRES

1/13/2023
(date)



[Handwritten Signature]
(signature of notary public)