

UTILITIES DIVISION  
2022 MAY 19 P 1:55

**ANNUAL REPORT**

Of

Company Name:   
PO Box 245

Mailing Address: Taylor AZ  
85939

Docket No.: W-20475A  
For the Year Ended:

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

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

Application Type:   
Application Date:

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
WATCO, Inc.

A Class  Utility

For the Calendar Year Ended: 12/31/21

Primary Address: PO Box 245  
City: Taylor State: Arizona Zip Code: 85939

Telephone Number: 928-537-8739

Date of Original Organization of Utility: 9/1/1963

Person to whom correspondence should be addressed concerning this report:

Name: GARY WENE  
Telephone No.: 512-470-5065  
Address: 2015 N FORBES BLVD., SUITE 107  
City: TUCSON State: ARIZONA Zip Code: 85745  
Email: GWENE@SOUTHWESTERNUTILITY.COM

On-Site Manager  
Name: DUSTIN GRUSKIEWICH  
Telephone No.: 928-537-8739  
Address: PO BOX 245  
City: TAYLOR State: ARIZONA Zip Code: 85939  
Email: DUSTIN@CI:DARGROVIEWATER.COM

Management Contact  
Name: GARY WENE  
Telephone No.: 512-470-5065  
Address: 2015 N FORBES BLVD., SUITE 107  
City: TUCSON State: ARIZONA Zip Code: 85745  
Email: GWENE@SOUTHWESTERNUTILITY.COM

Management Contact  
Name: GARY WENE  
Telephone No.: 512-470-5065  
Address: 2015 N FORBES BLVD., SUITE 107  
City: TUCSON State: ARIZONA Zip Code: 85745  
Email: GWENE@SOUTHWESTERNUTILITY.COM

Regulatory and Management Contact  
Name: GARY WENE  
Telephone No.: 512-470-5065  
Address: 2015 N FORBES BLVD., SUITE 107  
City: TUCSON State: ARIZONA Zip Code: 85745  
Email: GWENE@SOUTHWESTERNUTILITY.COM

Ownership: "S" Corporation

Counties Served: Navajo

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

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	NA

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$1,542			\$1,542	\$1,542	\$0
302	Franchises	7			7	7	0
303	Land and Land Rights	27,094			27,094	0	27,094
304	Structures and Improvements	47,958			47,958	23,412	24,546
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	48,807			48,807	43,764	5,043
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment	44,821			44,821	44,821	0
320	Water Treatment Equipment				0		0
320.1	Water Treatment Plants				0		0
320.2	Solution Chemical Feeders				0		0
320.3	Point-of-Use Treatment Devices				0		0
330	Distribution Reservoirs and Standpipes				0		0
330.1	Storage Tanks	74,796			74,796	37,744	37,052
330.2	Pressure Tanks	46,800			46,800	46,800	0
331	Transmission and Distribution Mains	1,114,081			1,114,081	608,385	505,696
333	Services	99,799			99,799	89,850	9,949
334	Meters and Meter Installations	27,389	2,970		30,359	27,513	2,846
335	Hydrants				0		0
336	Backflow Prevention Devices				0		0
339	Other Plant and Misc. Equipment				0		0
340	Office Furniture and Equipment				0		0
340.1	Computer & Software				0		0
341	Transportation Equipment				0		0
342	Stores Equipment				0		0
343	Tools, Shop and Garage Equipment		1,257		1,257	31	1,226
344	Laboratory Equipment				0		0
345	Power Operated Equipment				0		0
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	<b>Totals</b>	<b>\$1,533,094</b>	<b>\$4,227</b>	<b>\$0</b>	<b>\$1,537,321</b>	<b>\$923,869</b>	<b>\$613,452</b>

WATCO, Inc.  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/21

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$1,542	\$0	\$0	\$1,542	\$1,542	\$0	0.00%	\$0
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%	1,597
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	0
307	Wells and Springs	48,807	0	0	48,807	0	48,807	3.33%	1,625
308	Infiltration Galleries	0	0	0	0	0	0	6.67%	0
309	Supply Mains	0	0	0	0	0	0	2.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	5.00%	0
311	Pumping Equipment	44,821	0	0	44,821	44,821	0	12.50%	0
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	10.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
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%	2,054
331	Transmission and Distribution Mains	1,114,081	0	0	1,114,081	0	1,114,081	2.00%	22,282
333	Services	99,799	0	0	99,799	0	99,799	3.33%	3,323
334	Meters and Meter Installations	27,389	2,970	0	30,359	27,389	2,970	8.33%	124
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	0	1,257	0	1,257	0	1,257	5.00%	31
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	0	5.00%	0
	<b>Subtotal</b>	<b>\$1,533,094</b>	<b>\$4,227</b>	<b>\$0</b>	<b>\$1,537,321</b>	<b>\$100,853</b>	<b>\$1,436,468</b>		<b>\$32,697</b>

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 \$32,697**

WATCO, Inc.  
Annual Report  
Balance Sheet Assets  
12/31/21

<b>Balance Sheet Assets</b>				
	<b>Assets</b>		<b>Balance at Beginning of Year (2021)</b>	<b>Balance at End of Year (2021)</b>
<b>Account No.</b>	<b>Current and Accrued Assets</b>			
131	Cash		\$15,024	\$50,878
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		9,985	32,194
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
	<b>Total Current and Accrued Assets</b>		<b>\$25,009</b>	<b>\$83,072</b>
<b>Account No.</b>	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$1,533,094	\$1,537,321
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(891,173)	(923,869)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$641,921</b>	<b>\$613,452</b>
	<b>Total Assets</b>		<b>\$666,930</b>	<b>\$696,524</b>

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

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

<b>Balance Sheet Liabilities and Owners Equity</b>				
	<b>Liabilities</b>		<b>Balance at Beginning of Year (2021)</b>	<b>Balance at End of Year (2021)</b>
<b>Account No.</b>	<b>Current Liabilities</b>			
231	Accounts Payable		\$0	\$7,202
232	Notes Payable (Current Portion)		6,975	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		0	888
237	Accrued Interest		2,855	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	<b>Total Current Liabilities</b>		<b>\$9,830</b>	<b>\$8,090</b>
	<b>Long Term Debt</b>			
224	Long Term Debt (Notes and Bonds)		\$937,926	\$0
	<b>Deferred Credits</b>			
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
	<b>Total Deferred Credits</b>		<b>\$0</b>	<b>\$0</b>
	<b>Total Liabilities</b>		<b>\$947,756</b>	<b>\$8,090</b>
	<b>Capital Accounts</b>			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		0	615,806
215	Retained Earnings		(280,826)	72,628
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>(\$280,826)</b>	<b>\$688,434</b>
	<b>Total Liabilities and Capital</b>		<b>\$666,930</b>	<b>\$696,524</b>

**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  
12/31/21

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2021 - 12/31/2021	Last Year 01/01/2020 - 12/31/2020
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$191,447	\$209,670
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	2,105	632
	<b>Total Revenues</b>	<b>\$193,552</b>	<b>\$210,302</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$38,313
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	11,341	10,541
618	Chemicals	0	0
620	Materials and Supplies	1,095	5,265
620.1	Repairs and Maintenance	13,084	24,567
620.2	Office Supplies and Expense	4,603	3,612
630	Contractual Services	0	30,619
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	950	4,302
633	Contractual Services - Legal	0	930
634	Contractual Services - Management Fees	101,073	16,172
635	Contractual Services - Water Testing	4,246	450
636	Contractual Services - Other	3,368	0
640	Rents	0	0
641	Rental of Building/Real Property	0	2,808
642	Rental of Equipment	0	9,375
650	Transportation Expenses	5,318	17,520
657	Insurance - General Liability	0	4,919
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	1,153
403	Depreciation Expense (From Schedule AR4)	32,697	33,301
408	Taxes Other Than Income	0	10,699
408.11	Property Taxes	9,898	3,219
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	<b>Total Operating Expenses</b>	<b>\$187,673</b>	<b>\$217,765</b>
	<b>Operating Income / (Loss)</b>	<b>\$5,879</b>	<b>(\$7,463)</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	33	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	<b>Total Other Income / (Expense)</b>	<b>\$33</b>	<b>\$0</b>
	<b>Net Income / (Loss)</b>	<b>\$5,912</b>	<b>(\$7,463)</b>



WATCO, Inc.  
 Annual Report  
 Full time equivalent employees  
 12/31/21

**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
<b>Total</b>	0.5	0.0	1.4	1.9

WATCO, Inc.  
 Annual Report  
 Supplemental Financial Data (Long-Term Debt)  
 12/31/21

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	6/1/2008	N/A	N/A	N/A
Source of Loan	WIFA	0	0	0
ACC Decision No.	70055	0	0	0
Reason for Loan	INFRASTRUCTURE	0	0	0
Dollar Amt. Issued	\$600,000	\$0	\$0	\$0
Amount Outstanding	\$36,951	\$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	\$2,049	\$0	\$0	\$0
Current Year Principal	\$4,987	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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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:		AZ0409049									
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	Water level 2011	Water level 2021	Meter Size (inches)	How measured:	Active
55-603156	10	58	538	8	SUBMERSIBLE	1964	480	480	2	METERED	YES
55-506606	5	31	440	6	SUBMERSIBLE	1683	300	300	2	METERED	YES
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A
NONE	0	0	0	0	NONE	0	0	0	0	N/A	N/A

Name of system water delivered to: NA  
 ADWR PCC Number: #N/A  
 Source of water delivered to another system: NA

Name of system water received from: NA  
 ADWR PCC Number: #N/A  
 Source of water received: NA  
 Well registry 55# (55-XXXXXX): NA

Month	Water withdrawn (gallons) <sup>1</sup>	Water sold (gallons) <sup>2</sup>	Water delivered (sold) to other systems (gallons) <sup>3</sup>	Water received (purchased) from other systems (gallons) <sup>4</sup>	Estimated authorized use (gallons) <sup>5</sup>	Purchased Power Expense <sup>6</sup>	Purchased Power (kWh) <sup>7</sup>
January	1,429,658.00	1,157,884.00	0.00	0.00	0.00	\$619	6,022
February	1,207,382.00	888,486.00	0.00	0.00	0.00	\$21	4,814
March	1,054,139.00	890,391.00	0.00	0.00	0.00	\$76	5,914
April	1,255,956.00	1,049,650.00	0.00	0.00	0.00	\$86	7,848
May	1,340,740.00	1,103,880.00	0.00	0.00	0.00	\$107	8,393
June	1,720,999.00	1,562,020.00	0.00	0.00	0.00	\$156	9,921
July	1,974,880.00	1,751,132.00	0.00	0.00	0.00	\$119	9,398
August	1,261,231.00	1,048,050.00	0.00	0.00	0.00	\$76	4,571
September	1,584,367.00	1,370,990.00	0.00	0.00	0.00	\$900	7,010
October	1,213,450.00	1,199,160.00	0.00	0.00	0.00	\$85	5,821
November	1,129,658.00	876,480.00	0.00	0.00	0.00	\$88	5,659
December	1,030,219.00	895,930.00	0.00	0.00	0.00	\$97	8,404
Totals	15,172,460.00	13,794,053.00	0.00	0.00	0.00	\$18,328	83,775

If applicable, in the space below please provide a description for all un-metered water use along with amounts:  
 NONE

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



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

<b>TREATMENT EQUIPMENT:</b>	NONE
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<b>STRUCTURES:</b>	12' X 30' BUILDING, 20' X 20' BUILDING
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<b>OTHER:</b>	NONE
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Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:  
 $ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day} )$

ERC	118
Method used:	(a)

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

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	326	0	0	0	0
February	323	0	0	0	0
March	324	0	0	0	0
April	324	0	0	0	0
May	325	0	0	0	0
June	331	0	0	0	0
July	329	0	0	0	0
August	328	0	0	0	0
September	327	0	0	0	0
October	329	0	0	0	0
November	362	0	0	0	0
December	369	0	0	0	0

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

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement?   
 If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?   
 If yes, which AMA?

What is the present system connection capacity (in ERCs \*) using existing lines?

What is the future system connection capacity (in ERCs \*) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

NONE

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

WATCO, Inc.  
 Annual Report  
 Utility Shutoffs / Disconnects  
 12/31/21

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

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	1	0
February	0	4	0
March	0	1	0
April	0	1	0
May	0	3	0
June	0	3	0
July	0	3	0
August	0	8	0
September	0	4	0
October	0	7	0
November	0	4	0
December	0	6	0
<b>Total</b>	<b>0</b>	<b>45</b>	<b>0</b>

**Other (description):**

NA

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

WATCO, Inc.  
Annual Report  
Property Taxes  
12/31/21

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2021 was	\$9,898

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)  
12/31/21

Verification and Sworn Statement (Taxes)

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

2022 MAY 19 P 1:55

County of (county name): Navajo  
Name (owner or official) title: Gary Wene, Owner  
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: 12/31/21

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

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

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

[Signature]  
signature of owner/official

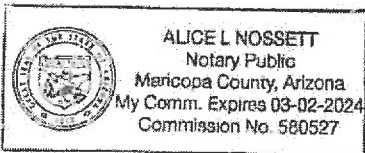
520-624-1460 x 110  
telephone no.

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

THIS 7<sup>th</sup> DAY OF May 2022  
(month) and (year)

MY COMMISSION EXPIRES 3-2-24  
(date)

[Signature]  
(signature of notary public)



**Verification and Sworn Statement**

**Verification:**

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


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

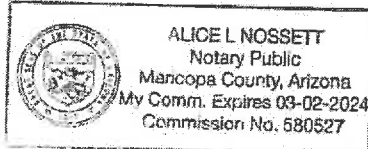
FOR THE YEAR ENDING: 12/31/21


**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 (\$)  
\$206,084  
 (The amount in the box above includes  
\$12,532 in sales taxes  
 billed or collected)

  
 signature of owner/official  
 520-624-1460 x 110  
 telephone no.



SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC  
 IN AND FOR THE COUNTY Maricopa  
(county name)  
 THIS 2nd DAY OF MAY, 2022  
(month) and (year)  
 MY COMMISSION EXPIRES 3-2-24  
(date)  
  
 (signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Navajo  
Name (owner or official) title: Gary Wene, Owner  
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: 12/31/21

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 (\$)

\$206,084  
(The amount in the box above includes  
\$12,532 in sales taxes  
billed or collected)

RECEIVED  
UTILITY DIVISION  
2022 MAY 19 P 1:55  
ARIZONA CORPORATION COMMISSION

Gary Wene  
signature of owner/official

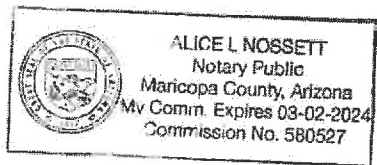
520-624-1460 x 110  
telephone no.

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

Maricopa  
(county name)

THIS 2<sup>nd</sup> DAY OF May 2, 2022  
(month) and (year)

MY COMMISSION EXPIRES 3-2-24  
(date)



[Signature]  
(signature of notary public)

WATCO, Inc.  
Annual Report  
Full Gross-up Method for Income Tax Statement of Certification  
12/31/21

RECEIVED  
UTILITY REGISTRATION  
MAY 19 11 55  
ARIZONA CORPORATION  
DEPT. 15, 1

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

Verification:

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

County of (county name): Navajo  
Name (owner or official) title: Gary Wene, Owner  
Company name: WATCO, Inc.

FOR THE YEAR ENDING: 12/31/21

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.

Gary Wene  
signature of owner/official

520-624-1460 x 110  
telephone no.

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

THIS 2<sup>nd</sup> DAY OF May 2, 2022 (month) and (year)

MY COMMISSION EXPIRES 3-2-24 (date)

Alice L. Nossett  
(signature of notary public)

