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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT

Of

Company Name: Cedar Grove Water, Inc.
PO Box 245

Mailing Address: Taylor AZ
85939

Docket No.: W-20541A
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

Cedar Grove Water, Inc.

A Class Utility

For the Calendar Year Ended: 12/31/22

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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

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

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

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

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

Ownership:

Counties Served:

Important changes during the year	
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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	\$1,000	\$3,600	\$0	\$4,600	\$0	\$4,600
302	Franchises	500	0	0	500	0	500
303	Land and Land Rights	2,126	35,000	0	37,126	0	37,126
304	Structures and Improvements	119,198	0	0	119,198	7,238	111,960
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	22,147	0	0	22,147	20,137	2,010
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	105,216	13,520	0	118,736	56,852	61,884
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	95,597	0	0	95,597	38,001	57,596
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	1,081,729	118,077	0	1,199,806	278,098	921,708
333	Services	46,005	1,600	0	47,605	24,000	23,605
334	Meters and Meter Installations	70,557	24,546	0	95,103	34,666	60,437
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	1,700	0	0	1,700	257	1,443
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	44,702	105	0	44,807	7,040	37,767
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,590,477	\$196,448	\$0	\$1,786,925	\$466,289	\$1,320,636

Cedar Grove Water, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/22

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$1,000	\$3,600	\$0	\$4,600	\$4,600	\$0	0.00%	\$0
302	Franchises	500	0	0	500	500	0	0.00%	0
303	Land and Land Rights	2,126	35,000	0	37,126	37,126	0	0.00%	0
304	Structures and Improvements	119,198	0	0	119,198	8,770	110,428	3.33%	3,677
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	22,147	0	0	22,147	19,955	2,192	3.33%	73
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	105,216	13,520	0	118,736	36,653	82,083	12.50%	9,415
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	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	95,597	0	0	95,597	33,891	61,706	2.22%	1,370
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	1,081,729	118,077	0	1,199,806	232,895	966,911	2.00%	18,157
333	Services	46,005	1,600	0	47,605	21,538	26,067	3.33%	841
334	Meters and Meter Installations	70,557	24,546	0	95,103	27,367	67,736	8.33%	4,620
335	Hydrants	0	0	0	0	0	0	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,700	0	0	1,700	0	1,700	10.00%	170
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	44,702	105	0	44,807	0	44,807	10.00%	4,475
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$1,590,477	\$196,448	\$0	\$1,786,925	\$423,295	\$1,363,630		\$42,800

Contribution(s) in Aid of Construction (Gross)	\$384,756
Less: Non Amortizable Contribution(s)	341,690
Fully Amortized Contribution(s)	43,066
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	2.82%
Amortization of CIAC	\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Cedar Grove Water, 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		\$171,191	\$21,614
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		19,159	15,312
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		\$190,350	\$36,926
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,590,477	\$1,786,925
103	Property Held for Future Use		0	0
105	Construction Work in Progress		21,362	0
108	Accumulated Depreciation (enter as negative)*		(423,489)	(466,289)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$1,188,350	\$1,320,636
	Total Assets		\$1,378,700	\$1,357,562

*Note these items feed automatically from AR3 UPIS Page 4

Cedar Grove Water, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2022)	Balance at End of Year (2022)
Account No.	Current Liabilities			
231	Accounts Payable		\$36,564	\$59,683
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		1,519	241
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$38,083	\$59,924
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$440,748	\$422,043
	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	384,756
272	Less: Amortization of Contributions		0	(384,756)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilites		\$478,831	\$481,967
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		1,185,120	895,539
215	Retained Earnings		(285,251)	(19,944)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$899,869	\$875,595
	Total Liabilities and Capital		\$1,378,700	\$1,357,562

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

Cedar Grove Water, Inc.
Annual Report
Water Comparative Income Statement
12/31/22

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	Operating Revenue		
461	Metered Water Revenue	\$303,805	\$286,243
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	42,546	28,560
	Total Revenues	\$346,351	\$314,803
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	22,886	24,711
618	Chemicals	0	0
620	Materials and Supplies	0	27,108
620.1	Repairs and Maintenance	6,384	0
620.2	Office Supplies and Expense	3,669	5,090
630	Contractual Services	1,715	154,720
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	0	950
633	Contractual Services - Legal	5,495	2,446
634	Contractual Services - Management Fees	241,558	145,888
635	Contractual Services - Water Testing	2,306	839
636	Contractual Services - Other	0	7,651
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	2,962	0
650	Transportation Expenses	828	5,895
657	Insurance - General Liability	3,088	7,088
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	351
675	Miscellaneous Expense	36	0
403	Depreciation Expense (From Schedule AR4)	42,800	33,944
408	Taxes Other Than Income	0	259
408.11	Property Taxes	9,928	14,902
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$343,655	\$431,842
	Operating Income / (Loss)	\$2,696	(\$117,039)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$1	\$0
421	Non-Utility Income	68	155
426	Miscellaneous Non-Utility (Expense)	0	(4,142)
427	Interest (Expense)	(20,418)	(3,483)
	Total Other Income / (Expense)	(\$20,349)	(\$7,470)
	Net Income / (Loss)	(\$17,653)	(\$124,509)

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

Cedar Grove Water, 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	6/7/2021	NA	NA	NA
Source of Loan	COBANK	0	0	0
ACC Decision No.	77368	0	0	0
Reason for Loan	CONSTRUCTION	0	0	0
Dollar Amt. Issued	\$443,576	\$0	\$0	\$0
Amount Outstanding	\$422,043	\$0	\$0	\$0
Date of Maturity	9/20/2041	NA	NA	NA
Interest Rate	2.61%	0.00%	0.00%	0.00%
Current Year Interest	\$20,418	\$0	\$0	\$0
Current Year Principal	\$18,704	\$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: CEDAR GROVE WATER CO											
ADEQ Public Water System Number:		AZ0401049									
ADWR PCC Number:		91-000018 0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type**	Year Drilled	Water level 2012	Water level 2022	Meter Size (inches)	How measured:	Active
55-550075	5	32	440	6&5	SUBMERSIBLE	1985	280	280	1	METERED	YES
55-504679	5	32	400	6&5	SUBMERSIBLE	1983	300	300	2	METERED	YES
55-087623	5	12	860	6	SUBMERSIBLE	1951	300	300	1	METERED	YES
55-566375	7.5	12	544	6	SUBMERSIBLE	1998	450	450	2	METERED	NO
55-808434	1.5	7	300	6&5	SUBMERSIBLE	UNKNOWN	300	320	1	METERED	NO

Name of system water delivered to:	LORD AZ WATER
ADWR PCC Number:	91-000023 0000
Source of water delivered to another system:	GROUND WATER
Name of system water received from:	
ADWR PCC Number:	NA
Source of water received:	NA
Well registry 55# (55-XXXXXX):	NA

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	2,401,787.00	1,148,863.00	0.00	0.00	0.00	\$2,051	16,600
February	1,999,347.00	1,383,922.00	0.00	0.00	0.00	2,153	16,751
March	2,056,298.00	1,323,477.00	0.00	0.00	0.00	1,413	11,314
April	2,253,440.00	1,036,683.00	0.00	0.00	0.00	1,964	15,856
May	2,047,921.00	1,459,631.00	0.00	0.00	0.00	1,633	13,965
June	2,682,598.00	1,636,371.00	0.00	0.00	0.00	2,488	18,521
July	2,879,715.00	2,197,414.00	0.00	0.00	0.00	2,430	18,430
August	1,610,170.00	2,416,111.00	0.00	0.00	0.00	2,183	16,753
September	4,696,911.00	1,400,626.00	0.00	0.00	0.00	1,774	15,995
October	2,060,101.00	2,317,612.00	0.00	0.00	0.00	1,773	15,994
November	1,884,993.00	1,448,917.00	0.00	0.00	0.00	1,962	15,840
December	1,805,679.00	1,177,751.00	0.00	0.00	0.00	2,030	16,125
Totals	28,378,960.00	18,947,378.00	0.00	0.00	0.00	\$23,854	192,144

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 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) 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:	CEDAR GROVE WATER CO
ADEQ Public Water System Number:	AZ0401049
ADWR PCC Number:	91-000018.0000

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	2,760
6.00	PVC	92,138

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	510	23%	25%
1	1	100%	100%
Compound 2	2	100%	100%

SERVICE LINES		
Material	Percent of system	Year installed
HDPE	100%	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
2X2	40	2
2	40	2
5	65	2
0	0	0

FIRE HYDRANTS	
Type	Quantity
Standard *	1
Other	10

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
12,500	METAL	1	0
15,000	METAL	1	0
50,000	METAL	1	0
300,000	METAL	1	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
120	METAL	2	0
1,000	METAL	1	0
2,000	METAL	1	0

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

TREATMENT EQUIPMENT:	NONE
STRUCTURES:	12X12 BUILDING, 6X6 BUILDING, 220X20 BUILDING, 24X24 BUILDING, 4X8 BUILDING
OTHER:	10 FIRE HYDRANTS UNDER OTHER(ON PRECEDING PAGE) ARE CURRENTLY NOT IN SERVICE BECAUSE OF INADEQUATE WATER SUPPLY TO THAT PORTION OF THE SYSTEM

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
- (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

103

 Method used:

(a)

Customer and Other Information	
Name of the System:	CEDAR GROVE WATER CO
ADEQ Public Water System Number:	AZ0401049
ADWR PCC Number:	91-000018.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	507	0	0	0	0
February	507	0	0	0	0
March	507	0	0	0	0
April	486	0	0	0	0
May	507	0	0	0	0
June	507	0	0	0	0
July	507	0	0	0	0
August	507	0	0	0	0
September	507	0	0	0	0
October	507	0	0	0	0
November	507	0	0	0	0
December	507	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 (GPCPD) requirement?
 If yes, provide the GPCPD amount:

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

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

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

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

NA

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

Cedar Grove Water, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	CEDAR GROVE WATER CO
ADEQ Public Water System Number:	AZ0401049
ADWR PCC Number:	91-000018.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	3	0
February	0	4	0
March	0	5	0
April	0	3	0
May	0	1	0
June	0	4	0
July	0	6	0
August	0	8	0
September	0	10	0
October	0	3	0
November	0	14	0
December	0	2	0
Total	0	63	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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2022 was	\$9,928
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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.

Verification and Sworn Statement (Taxes)

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: Cedar Grove Water, Inc.

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

FOR THE YEAR ENDING: 12/31/22

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

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

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

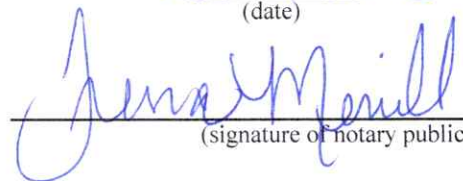


signature of owner/official
520-265-5350
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Cochise
(county name)
THIS 15 DAY OF May 2023
(month) and (year)

MY COMMISSION EXPIRES

TRESSA MERRILL
Notary Public, State of Arizona
Cochise County
Commission # 572184
My Commission Expires
October 17, 2023

Oct 17 2023
(date)


(signature of notary public)

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: Cedar Grove Water, Inc.

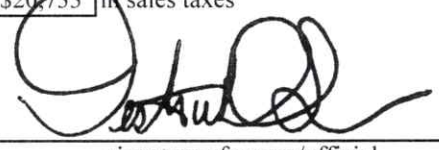
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/22

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

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

Arizona Intrastate Gross Operating Revenues Only (\$)
\$346,351
(The amount in the box above includes
\$20,733 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

15

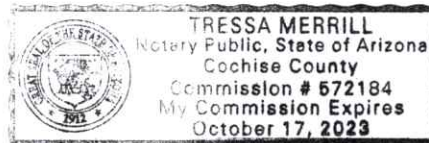
DAY OF

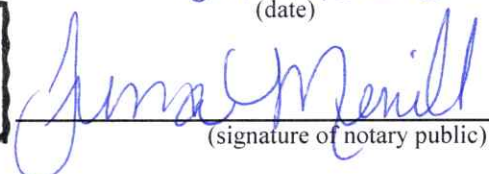
Cochise
(county name)

May 2023
(month) and (year)

MY COMMISSION EXPIRES

Oct 17, 2023
(date)




(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): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Cedar Grove Water, Inc.

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

FOR THE YEAR ENDING: 12/31/22

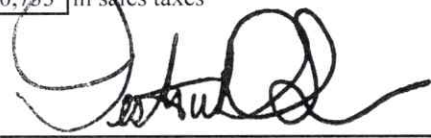
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND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

Sworn Statement:

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

Arizona Intrastate Gross Operating Revenues Only (\$)

\$346,351
(The amount in the box above includes
\$20,733 in sales taxes
billed or collected)



signature of owner/official

520-265-5350
telephone no.

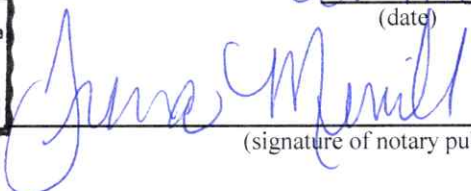
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Cochise

(county name)

THIS 15 DAY OF May 2023
(month) and (year)

MY COMMISSION EXPIRES

Oct 17, 2023
(date)



(signature of notary public)

Full Gross-up Method for Income Tax Statement of Certification

Verification:

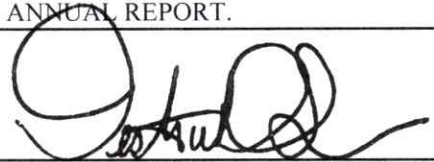
State of ARIZONA I, the undersigned of the
(state name)

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Cedar Grove Water, 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

Cochise

(county name)

THIS

15

DAY OF

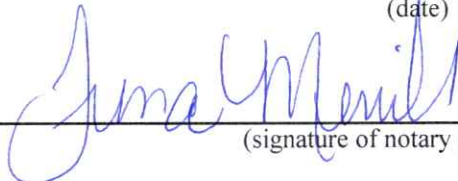
May 2023

(month) and (year)

MY COMMISSION EXPIRES

Oct 17 2023

(date)



(signature of notary public)