ANNUAL REPORT

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Of

Company Name:	Cienega Water Company, Inc.
Mailing Address:	7804 Riverside Dr. 0 Parker AZ 85344
Docket No.:	W-02034A
For the Year Ended:	12/31/25

RECEIVED BY EMAIL
4/15/2026, 1:49 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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:	4/13/26

ARIZONA CORPORATION COMMISSION | AR 2

WATER UTILITY ANNUAL REPORT | Annual Report Page 2

Cienega Water Company, Inc.

A Class E Utility

For the Calendar Year Ended: 12/31/25

Primary Address: 7804 Riverside Drive

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City: Parker State: Arizona Zip Code: 85344

Telephone Number: 928-667-3346

Date of Original Organization of Utility: 7/1/65

Person to whom correspondence should be addressed concerning this report:

Name: Brandon Kilgore

Telephone No. : 714-206-5363

Address: 7804 Riverside Drive

City: Parker State: Arizona Zip Code: 85344

Email: bkilgore23@yahoo.com

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:

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Important changes during the year

Yes	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.

Yes	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.

Cienega Water Company, Inc.
Annual Report
Utility Plant in Service (Water)
12/31/25

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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				$0		$0
302	Franchises				0		0
303	Land and Land Rights				0		0
304	Structures and Improvements				0		0
305	Collecting & Improving Reservoirs				0		0
306	Lake, River, Canal Intakes				0		0
307	Wells and Springs	32,600			32,600	24,013	8,587
308	Infiltration Galleries				0		0
309	Supply Mains				0		0
310	Power Generation Equipment				0		0
311	Pumping Equipment				0		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	39,204			39,204	35,678	3,526
330.2	Pressure Tanks				0		0
331	Transmission and Distribution Mains	61,812			61,812	52,870	8,942
333	Services	20,637			20,637	15,829	4,808
334	Meters and Meter Installations	17,880			17,880	17,880	0
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				0		0
344	Laboratory Equipment				0		0
345	Power Operated Equipment	12,155			12,155	8,748	3,407
346	Communication Equipment				0		0
347	Miscellaneous Equipment				0		0
348	Other Tangible Plant				0		0
	Totals	**$184,288**	**$0**	**$0**	**$184,288**	**$155,018**	**$29,270**

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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.

Note: Due to differences in useful lives and assocaited depreciation rates, accounts 320 and 330 should not be used, instead the more detailed sub-accounts should be used. Contact Staff for any necessary assistance.

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	$0	$0	$0	$0		$0		$0
302	Franchises	0	0	0	0		0		0
303	Land and Land Rights	0	0	0	0		0		0
304	Structures and Improvements	0	0	0	0		0		0
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	32,600	0	0	32,600		32,600		0
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	0	0	0	0		0		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	39,204	0	0	39,204		39,204		0
330.2	Pressure Tanks	0	0	0	0		0		0
331	Transmission and Distribution Mains	61,812	0	0	61,812		61,812		0
333	Services	20,637	0	0	20,637		20,637		0
334	Meters and Meter Installations	17,880	0	0	17,880		17,880		0
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	12,155	0	0	12,155		12,155		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
	Subtotal	$184,288	$0	$0	$184,288	$0	$184,288		$0

Composite rate

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Contribution(s) in Aid of Construction (Gross)	
Less: Non Amortizable Contribution(s)	
Fully Amortized Contribution(s)	
Amortizable Contribution(s)	**$0**
Times: Proposed Amortization Rate	
Amortization of CIAC	

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Cienega Water Company, Inc.

Annual Report

ance Sheet Assets

12/31/25

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Balance Sheet Assets

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Does not balance

Does not balance

Account No.	Assets	Balance at Beginning of Year (2025)	Balance at End of Year (2025)
	Current and Accrued Assets		
131	Cash	$214,728	$28,475
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes Receivable from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	Total Current and Accrued Assets	**$214,728**	**$28,475**
Account No.	**Fixed Assets**		
101	Utility Plant in Service*	$184,288	$184,288
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation **(enter as negative)***		(155,018)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	Total Fixed Assets	**$184,288**	**$29,270**
	Total Assets	**$399,016**	**$57,745**

*Note these items feed automatically from AR3 UPIS Page 4

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Variances $161,753 $3,686

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.

Cienega Water Company, Inc.

Annual Report

Balance Sheet Liabilities and Owners Equity

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Balance Sheet Liabilities and Owners Equity

Account No.	Liabilities	Balance at Beginning of Year (2025)	Balance at End of Year (2025)
	Current Liabilities		
231	Accounts Payable	$3,656	$3,656
232	Notes Payable (Current Portion)	102,978	0
234	Notes Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
242	Miscellaneous Current and Accrued Liabilities		
	Total Current Liabilities	**$106,634**	**$3,656**
	Long Term Debt		
224	Long Term Debt (Notes and Bonds)		
	Deferred Credits		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	Total Deferred Credits	**$0**	**$0**
	Total Liabilites	**$106,634**	**$3,656**
	Capital Accounts		
201	Common Stock Issued	$5,700	$5,700
211	Other Paid-In Capital		
215	Retained Earnings	124,929	44,703
218	Proprietary Capital (Sole Props and Partnerships)		
	Total Capital	**$130,629**	**$50,403**
	Total Liabilities and Capital	**$237,263**	**$54,059**

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

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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.

Cienega Water Company, Inc.
Annual Report
arative Income Statement
12/31/25

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Water Comparative Income Statement

Account No.	Calendar Year	Current Year 01/01/2025 - 12/31/2025	Last Year 01/01/2024 - 12/31/2024
	Operating Revenue	26,610	$28,134
461	Metered Water Revenue		
460	Unmetered Water Revenue		
462	Fire Protection Revenue		
469	Guaranteed Revenues (Surcharges)		
471	Miscellaneous Service Revenues		
474	Other Water Revenue		
	Total Revenues	**$0**	**$0**
	Operating Expenses		
601	Salaries and Wages		
604	Employee Pensions and Benefits		
610	Purchased Water		
615	Purchased Power	1,756	5,093
618	Chemicals		
620	Materials and Supplies		
620.1	Repairs and Maintenance		
620.2	Office Supplies and Expense		
630	Contractual Services		
631	Contractual Services - Engineering		
632	Contractual Services - Accounting	1,800	1,800
633	Contractual Services - Legal		
634	Contractual Services - Management Fees	54	959
635	Contractual Services - Water Testing	2,681	1,714
636	Contractual Services - Other	1,166	
640	Rents		
641	Rental of Building/Real Property		
642	Rental of Equipment		
650	Transportation Expenses		
657	Insurance - General Liability		
657.1	Insurance - Health and Life		
665	Regulatory Commission Expense - Rate		
670	Bad Debt Expense		
675	Miscellaneous Expense		
403	Depreciation Expense (From Schedule AR4)	3,890	3,890
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Taxes	0	5,253
427.1	Customer Security Deposit Interest		
	Total Operating Expenses	**$11,347**	**$18,709**
	Operating Income / (Loss)	**($11,347)**	**($18,709)**
	Other Income / (Expense)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)		
427	Interest (Expense)		
	Total Other Income / (Expense)	**$0**	**$0**
	Net Income / (Loss)	**($11,347)**	**($18,709)**

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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.

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Consider a rate case if and of the following conditions apply	
Operating Loss	Yes
Return on Equity	
Rate of Return	
Operating Margin	
DSC	
TIER	

Eligible for the Short Form Rate Application? Yes

Note - These calculations are only intended to provide the Company with some indication that a rate case should be considered. They do not necessarily reflect the calculations that Staff would develop using more detailed information provided during the course of a rate case. In order to be eligible to use the Short Form Rate Application you must have less than $250,000 in total revenues.

Cienega Water Company, Inc.

Annual Report

equivalent employees

12/31/25

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Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager				0.0
Engineering Staff				0.0
System Operator(s)				0.0
Meter reader				0.0
Customer Service				0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	0.0	0.0

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FTE calculator

Total annual hours worked	FTE
	0.0000

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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Cienega Water Company, Inc.

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Annual Report

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ntal Financial Data (Long-Term Debt)

12/31/25

Supplemental Financial Data (Long-Term Debt)

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	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amt. Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:

Meter Deposits Refunded During the Test Year:

List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Cienega Water Company, Inc.
Annual Report
Well and Water Usage
12/31/25

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Well and Water Usage

Name of the System:
ADEQ Public Water System Number:
ADWR PCC Number:

Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2015	Water level 2025	Meter Size (inches)	How measured:	Active
617676	1	6	96	6	SUBMERSIBLE	1959	0	0	2	Metered	Yes
616677	1	6	97	10	SUBMERSIBLE	1960	0	0	2	Metered	Yes
											Yes
											Yes
											Yes
											Yes
											Yes
											Yes
											Yes
											Yes
											Yes
											Yes
											Yes
											Yes
											Yes

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 (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 Expense6	Purchased Power (kWh)7
January							
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							
Totals	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**$0**	**0**

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

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.

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.

The Gallons pumped should not be equal to the gallons sold. There is a potentially significant problem, please investigate and explain.

Note: If you are filing for more than one system, please provide a separate data sheet for each system.

Water Utility Plant Description

Table of Contents

Name of the System:	CIENEGA WATER COMPANY, INC
ADEQ Public Water System Number:	AZ0415002
ADWR PCC Number:	91-000740.0000

MAINS

Sizes (inches)	Material	Length (feet)
NA	PVC	1,370
NA	PVC	3,190
NA	PVC	1,120
NA		
NA		
NA		
NA		
NA		
NA		
NA		
NA		
NA		
NA		
NA		

CUSTOMER METERS

Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	60		

SERVICE LINES

Material	Percent of system	Year installed
PVC	100%	2004

BOOSTER PUMPS

Horsepower	GPM	Quantity

FIRE HYDRANTS

Type	Quantity
Standard *	
Other	

STORAGE TANKS

Capacity (gallons)	Material	Quantity	Year installed

PRESSURE/BLADDER TANKS

Capacity (gallons)	Material	Quantity	Year installed

* 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.

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.

Note: If you are filing for more than one system, please click on the two systems button below.

Water Utility Plant Description (Continued)

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

TREATMENT EQUIPMENT:	
STRUCTURES:	
OTHER:	

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

Cienega Water Company, Inc.
Annual Report
er and Other Information
12/31/25

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Customer and Other Information

Table of Contents

Name of the System:	CIENEGA WATER COMPANY, INC
ADEQ Public Water System Number:	AZ0415002
ADWR PCC Number:	91-000740.0000

	Number of Customers						
Month	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential	Commercial	Turf/Irrigation
January	54						
February	54					0	0
March	54						
April	54						
May	54						
June	54						
July	54						
August	54						
September	54						
October	54						
November	54						
December	54						

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

Does the system have chlorination treatment? Yes

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

If yes, provide the GPCPD amount:

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

If yes, which AMA? NA

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

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.

Note: If you are filing for more than one system, please click on the two systems button below.

Cienega Water Company, Inc.

Annual Report

Utility Shutoffs / Disconnects

12/31/25

Utility Shutoffs / Disconnects		
Name of the System:	CIENEGA WATER COMPANY, INC.	
ADEQ Public Water System Number:		AZ0415002
ADWR PCC Number:		91-000740.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	**0**	**0**	**0**

Other (description):

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.

Cienega Water Company,
Inc.

Annual Report

Property Taxes

12/31/25

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2025 was	926.16

If no property taxes paid, explain why.

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.

Cienega Water Company, Inc.
Annual Report
Verification and Certification (Taxes)
12/31/25

Verification and Certification (Taxes)

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

County of (county name): La Paz
Name (owner or official) title: Brandon Kilgore operator
Company name: Cienega Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/25

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.

Certification: I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

signature of owner/official

928-667-3346
telephone no.