

RECEIVED
BY EMAIL

5/12/2023, 1:40 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT

Of

Company Name: Lago Del Oro Water Company
9532 E. Riggs Rd.

Mailing Address: Sun Lakes AZ
85248

Docket No.: W-01944A

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: 5/9/2023

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Lago Del Oro Water Company
A Class Utility

For the Calendar Year Ended: 12/31/22

Primary Address:

9532 E Riggs Road			
City:	Sun Lakes	State:	Arizona
		Zip Code:	85428

Telephone Number:

480-895-9200

Date of Original Organization of Utility:

1963

Person to whom correspondence should be addressed concerning this report:

Name:

Brian Smith

Telephone No. :

480-895-4235

Address:

9532 E Riggs Road			
City:	Sun Lakes	State:	Arizona
		Zip Code:	85248

Email:

Brian.Smith@Robson.com

On-Site Manager
Name:

Ed MacMeans

Telephone No. :

520-825-3423

Address:

40004 S Ridgeview Blvd			
City:	Tucson	State:	Arizona
		Zip Code:	85248

Email:

Ed.MacMeans@Robson.com

Regulatory and Management Contact
Name:

Brian Smith

Telephone No. :

480-895-4235

Address:

9532 E Riggs Road			
City:	Sun Lakes	State:	Arizona
		Zip Code:	85248

Email:

--

NA
Name:

--

Telephone No. :

--

Address:

City:		State:	Arizona
		Zip Code:	

Email:

--

NA
Name:

--

Telephone No. :

--

Address:

City:		State:	arizona
		Zip Code:	

Email:

--

Ownership:

"C" Corporation

Counties Served:

Multiple counties

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.
	In December 2022, the Company repurchased .1193317422434370% ownership interest from the Edward J Robson Family Foundation

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.
	N/A

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	\$0	\$0	0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	42,608	0	0	42,608	0	42,608
304	Structures and Improvements	433,602	11,687	0	445,289	223,982	221,307
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	2,112,627	116,271	2,500	2,226,398	1,975,390	251,008
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	191,731	0	0	191,731	112,676	79,055
311	Pumping Equipment	3,896,058	23,904	13,243	3,906,719	3,714,889	191,830
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	30,158	1,762	0	31,920	30,334	1,586
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	1,787,018	0	500	1,786,518	1,483,089	303,429
330.2	Pressure Tanks	342,824	12,715	4,468	351,071	276,662	74,409
331	Transmission and Distribution Mains	7,463,703	158,574	0	7,622,277	5,416,631	2,205,646
333	Services	2,457,094	56,275	0	2,513,369	1,827,887	685,482
334	Meters and Meter Installations	778,894	50,924	12,594	817,224	816,070	1,154
335	Hydrants	863,636	4,428	0	868,064	655,879	212,185
336	Backflow Prevention Devices	0	2,512	0	2,512	105	2,407
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	47,807	1,636	5,847	43,596	28,982	14,614
340.1	Computer & Software	62,859	0	0	62,859	23,216	39,643
341	Transportation Equipment	264,841	2,250	3,930	263,161	252,391	10,770
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	19,397	455	0	19,852	2,536	17,316
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	101,390	2,350	0	103,740	13,191	90,549
346	Communication Equipment	370,633	12,048	2,480	380,201	354,504	25,697
347	Miscellaneous Equipment	50,448	0	0	50,448	42,890	7,558
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$21,317,328	\$457,791	\$45,562	\$21,729,557	\$17,251,304	\$4,478,253

Lago Del Oro Water Company
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	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	42,608	0	0	42,608	42,608	0	0.00%	0
304	Structures and Improvements	433,602	11,687	0	445,289	0	445,289	3.33%	14,634
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	2,112,627	116,271	2,500	2,226,398	0	2,226,398	3.33%	72,245
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	191,731	0	0	191,731	0	191,731	5.00%	9,587
311	Pumping Equipment	3,896,058	23,904	13,243	3,906,719	0	3,906,719	12.50%	28,992
320	Water Treatment Equipment	0	0	0	0	0	0	20.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	30,158	1,762	0	31,920	0	31,920	20.00%	176
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	1,787,018	0	500	1,786,518	0	1,786,518	2.22%	39,666
330.2	Pressure Tanks	342,824	12,715	4,468	351,071	0	351,071	5.00%	17,347
331	Transmission and Distribution Mains	7,463,703	158,574	0	7,622,277	0	7,622,277	2.00%	150,860
333	Services	2,457,094	56,275	0	2,513,369	0	2,513,369	3.33%	82,375
334	Meters and Meter Installations	778,894	50,924	12,594	817,224	0	817,224	8.33%	67,438
335	Hydrants	863,636	4,428	0	868,064	0	868,064	2.00%	17,317
336	Backflow Prevention Devices	0	2,512	0	2,512	0	2,512	8.33%	105
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	47,807	1,636	5,847	43,596	0	43,596	6.67%	3,048
340.1	Computer & Software	62,859	0	0	62,859	0	62,859	20.00%	12,572
341	Transportation Equipment	264,841	2,250	3,930	263,161	0	263,161	20.00%	52,800
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	19,397	455	0	19,852	0	19,852	5.00%	981
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	101,390	2,350	0	103,740	0	103,740	5.00%	5,128
346	Communication Equipment	370,633	12,048	2,480	380,201	0	380,201	10.00%	2,761
347	Miscellaneous Equipment	50,448	0	0	50,448	0	50,448	10.00%	5,045
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$21,317,328	\$457,791	\$45,562	\$21,729,557	\$42,608	\$21,686,949		\$583,076

Contribution(s) in Aid of Construction (Gross)	\$1,145,905
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$1,145,905
Times: Proposed Amortization Rate	3.30%
Amortization of CIAC	\$37,861

Less: Amortization of CIAC **\$37,861**

DEPRECIATION EXPENSE **\$545,215**

Lago Del Oro Water Company
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		\$2,186,032	\$341,768
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		262,585	243,697
142	Other Receivables		192,549	16,584
145	Accounts Receivable - Related Party		193	0
146	Notes Receivable from Associated Companies		655,152	2,189,421
151	Plant Material and Supplies		0	0
162	Prepayments		51,789	46,961
174	Miscellaneous Current and Accrued Assets		129,731	91,864
	Total Current and Accrued Assets		\$3,478,031	\$2,930,295
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$21,317,327	\$21,729,557
103	Property Held for Future Use		0	0
105	Construction Work in Progress		25,119	66,364
108	Accumulated Depreciation (enter as negative)*		(16,713,789)	(17,251,304)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$4,628,657	\$4,544,617
	Total Assets		\$8,106,688	\$7,474,912

*Note these items feed automatically from AR3 UPIS Page 4

Lago Del Oro Water Company
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		\$86,015	\$53,735
232	Notes Payable (Current Portion)		0	0
233	Accounts Payable - Related Party		6,527	1,413
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		80,288	72,424
236	Accrued Taxes		231,584	103,660
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		82,550	82,102
	Total Current Liabilities		\$486,964	\$313,334
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		868,837	867,619
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,145,905	1,145,905
272	Less: Amortization of Contributions		(894,890)	(932,751)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$1,119,852	\$1,080,773
	Total Liabilities		\$1,606,816	\$1,394,107
	Capital Accounts			
201	Common Stock Issued		\$200,000	\$200,000
211	Other Paid-In Capital		4,273,125	4,273,125
215	Retained Earnings		2,026,747	1,607,680
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$6,499,872	\$6,080,805
	Total Liabilities and Capital		\$8,106,688	\$7,474,912

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

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2022 - 12/31/2022	Last Year 01/01/2021 - 12/31/2021
	Operating Revenue		
461	Metered Water Revenue	\$2,778,523	\$2,853,661
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	22,664	25,104
	Total Revenues	\$2,801,187	\$2,878,765
	Operating Expenses		
601	Salaries and Wages	\$381,921	\$332,803
603	Salaries and Wages - Officers	31,640	31,640
604	Employee Pensions and Benefits	56,783	59,871
610	Purchased Water	0	0
615	Purchased Power	460,724	457,907
618	Chemicals	34,414	29,023
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	61,006	105,230
620.2	Office Supplies and Expense	74,971	93,640
630	Contractual Services	0	0
631	Contractual Services -Engineering	8,025	1,072
632	Contractual Services - Accounting	10,615	9,815
633	Contractual Services - Legal	1,537	3,216
634	Contractual Services - Management Fees	0	0
635	Contractual Services - Water Testing	5,273	54,729
636	Contractual Services - Other	63,996	64,041
640	Rents	0	0
641	Rental of Building/Real Property	6,159	6,005
642	Rental of Equipment	0	0
650	Transportation Expenses	15,939	14,809
656	Insurance - Vehicles	12,714	12,909
657	Insurance - General Liability	60,293	58,006
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	8,035	9,617
675	Miscellaneous Expense	21,108	25,817
403	Depreciation Expense (From Schedule AR4)	545,215	524,586
407.5	Amortization – EADIT	10,110	10,110
408	Taxes Other Than Income	8,881	10,057
408.11	Property Taxes	115,889	126,152
408.12	Payroll Taxes	34,379	26,834
409	Income Taxes	228,108	206,029
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$2,257,735	\$2,273,918
	Operating Income / (Loss)	\$543,452	\$604,847
	Other Income / (Expense)		
419	Interest and Dividend Income	\$32,605	\$19,504
421	Non-Utility Income	17,959	19,299
426	Miscellaneous Non-Utility (Expense)	(3,381)	(720)
427	Interest (Expense)	0	(2,361)
	Total Other Income / (Expense)	\$47,183	\$35,722
	Net Income / (Loss)	\$590,635	\$640,569

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.3	0.3
Vice-president	0.0	0.0	0.0	0.0
Manager	0.5	0.2	0.0	0.7
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	4.1	0.2	0.0	4.3
Meter reader	0.2	0.0	0.0	0.2
Customer Service	0.4	0.0	0.0	0.4
Accounting	0.0	0.0	0.6	0.6
Business Office	0.0	0.0	0.1	0.1
Rates Department	0.0	0.0	0.0	0.0
Administrative Staff	1.1	0.0	0.0	1.1
Other	0.0	0.0	0.0	0.0
Total	6.2	0.3	1.0	7.5

Lago Del Oro Water Company
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	7/27/2006	7/27/2009	6/30/2014	NA
Source of Loan	CB&T	APM	Wells Fargo	NA
ACC Decision No.	62845	62845	74450	NA
Reason for Loan	Plant Additions	Refinace	Plant Additions	NA
Dollar Amt. Issued	\$2,764,996	\$1,154,966	\$2,751,411	\$0
Amount Outstanding	\$0	\$0	\$0	\$0
Date of Maturity	7/27/2009	11/17/2011	6/30/2021	NA
Interest Rate	Prime	Prime	4.08%	NA
Current Year Interest	\$0	\$0	\$0	NA
Current Year Principal	\$0	\$0	\$0	NA

Meter Deposit Balance at Test Year End:	\$72,424
-----------------------------------------	----------

Meter Deposits Refunded During the Test Year:	\$11,644
-----------------------------------------------	----------

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:			LAGO DEL ORO WATER CO								
ADEQ Public Water System Number:			AZ0411117								
ADWR PCC Number:			91-000558.0000								
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2011 ¹²	Water level 2012 ²²	Meter Size (inches)	How measured:	Active
55-613452	75	560	804	16	Submersible	1963	unknown	unknown	6	Metered	Yes
55-613459	2	15	241	8	Submersible	1973	unknown	unknown	1	Metered	Yes
55-613454	150	350	800	16	Turbine	1963	unknown	unknown	8	Metered	Yes
55-613455	15	75	300	10	Submersible	1972	unknown	unknown	3	Metered	Yes
55-613456	30	120	450	8	Submersible	1973	unknown	unknown	3	Metered	Yes
55-613460	10	25	495	8	Submersible	1972	unknown	unknown	2	Metered	Yes
55-613457	8	120	225	8	Submersible	1972	unknown	unknown	3	Metered	Yes
55-613458	3	35	609	8	Submersible	1981	unknown	unknown	1	Metered	Yes
55-623397	15	70	310	10	Submersible	1971	unknown	unknown	2	Metered	Yes
55-518207	200	1,385	800	16	Turbine	1987	unknown	unknown	8	Metered	Yes
55-526451	200	1,000	804	16	Turbine	1990	unknown	unknown	8	Metered	Yes
55-547494	300	1,300	959	16	Turbine	1996	unknown	unknown	10	Metered	Yes
55-548874	200	1,100	1,100	16	Turbine	1995	unknown	unknown	10	Metered	Yes
55-548873	100	330	1,109	16	Submersible	1996	unknown	unknown	6	Metered	Yes
55-573651	150	490	1,200	20	Turbine	1999	unknown	unknown	6	Metered	Yes
55-206036	250	1,200	1,340	16	Turbine	2005	unknown	unknown	10	Metered	Yes

Name of system water delivered to:		LAGO DEL ORO WATER CO	
ADWR PCC Number:		91-000558.0000	
Source of water delivered to another system		Ground Water	
Name of system water received from:		LAGO DEL ORO WATER CO	
ADWR PCC Number:		91-000558.0000	
Source of water received		Ground Water	
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	41,114,505.00	38,872,867.00	0.00	1,464,200.00	120,400.00	\$26,304	163,737
February	47,078,095.00	41,364,473.00	262,800.00	0.00	120,000.00	30,161	163,009
March	58,378,576.00	55,011,734.00	488,200.00	0.00	150,000.00	34,401	238,385
April	84,562,340.00	74,656,403.00	909,800.00	0.00	13,500.00	40,275	302,859
May	105,366,426.00	96,617,508.00	1,732,500.00	0.00	15,800.00	49,624	378,504
June	117,312,836.00	104,753,933.00	2,352,700.00	0.00	41,000.00	46,720	369,450
July	90,867,711.00	86,834,397.00	227,800.00	0.00	5,000.00	42,316	317,511
August	49,403,076.00	46,592,417.00	0.00	1,723,700.00	83,000.00	34,137	199,227
September	83,950,845.00	76,100,904.00	1,142,100.00	0.00	25,000.00	42,978	307,959
October	83,465,834.00	74,377,025.00	3,192,500.00	0.00	28,700.00	41,778	284,983
November	71,310,246.00	55,080,408.00	4,239,900.00	0.00	173,500.00	37,945	226,394
December	43,576,820.00	40,378,400.00	649,000.00	0.00	70,000.00	29,691	170,524
Totals	876,387,310.00	790,640,469.00	15,197,300.00	3,187,900.00	845,900.00	\$456,331	\$3,122,542

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

N/A

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:	LAGO DEL ORO WATER CO		
ADEQ Public Water System Number:	AZ0411117		
ADWR PCC Number:	91-000558.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	5,943
3.00	PVC	20,497
4.00	PVC	86,007
6.00	PVC	163,648
8.00	PVC	124,852
10.00	PVC	23,676
12.00	PVC	4,903
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA

SERVICE LINES		
Material	Percent of system	Year installed
Copper	80%	1998
Black poly	20%	1986
NA	NA	NA
NA	NA	NA
NA	NA	NA

BOOSTER PUMPS		
Horsepower	GPM	Quantity
60	1,250	2
50	750	2
40	650	2
30	450	4
25	600	4
20	500	7
15	50	2
10	40	2
5	20	4
7.5	35	1
172	1,250	1
152	502	1
58	500	1

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
500,000	STEEL	2	96, '06
250,000	STEEL	2	93, '97
200,000	STEEL	2	00, '01
100,000	STEEL	1	1996
12,000	STEEL	3	2005
286,000	STEEL	1	1987

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	6,302	50%	unknown
0.75	167	49%	unknown
1	123	37%	unknown
1.5	16	75%	unknown
2	49	51%	unknown
3	12	25%	unknown
4	1	100%	unknown
6	6	100%	unknown
8	0	0%	unknown
10	1	100%	unknown
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA
NA	NA	NA	NA

FIRE HYDRANTS	
Type	Quantity
Standard *	399
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
85	STEEL	2	1997
1,000	STEEL	2	1997
1,500	STEEL	1	unknown
2,500	STEEL	2	2000
6,000	STEEL	2	2006
8,000	STEEL	1	2006
10,000	STEEL	1	1974
14,000	STEEL	1	1998

* 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:	Chlorine Tanks, Analyser
STRUCTURES:	Storage Building, Shed, Office Building, Pump and Well Enclosures, Gates, Block Walls
OTHER:	Wells, Water Plants, Booster Pumps

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 = (Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day)

ERC	<table border="1"><tr><td>199</td></tr></table>	199
199		
Method used:	<table border="1"><tr><td>(a)</td></tr></table> Select = (a), (b) or other	(a)
(a)		

Customer and Other Information	
Name of the System:	LAGO DEL ORO WATER CO
ADEQ Public Water System Number:	AZ0411117
ADWR PCC Number:	91-000558.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	6,531	0	139	4	8
February	6,540	0	137	4	6
March	6,562	0	139	4	7
April	6,565	0	138	4	7
May	6,567	0	138	4	7
June	6,564	0	139	4	8
July	6,549	0	139	4	8
August	6,549	0	139	4	9
September	6,547	0	139	4	4
October	6,552	0	139	4	6
November	6,545	0	139	4	6
December	6,544	0	139	4	6

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.

Per LXA, add 600 LF PVC and 3 services - completed April 2023

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

Lago Del Oro Water Company
Annual Report
Utility Shutoffs / Disconnects
12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	LAGO DEL ORO WATER CO
ADEQ Public Water System Number:	AZ0411117
ADWR PCC Number:	91-000558.0000

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	50	0
November	0	25	0
December	0	6	0
Total	0	81	0

Other (description):

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.

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

Amount of actual property taxes paid during Calendar Year 2021 was

\$121,095

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.

4/12/2023, 10:43 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Lago Del Oro Water Company
Annual Report
Verification and Sworn Statement (Taxes)
12/31/22

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: Brian Smith, Vice President
Company name: Lago Del Oro Water Company

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.

Brian Smith
signature of owner/official

480-895-9200
telephone no.

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

THIS

12th

DAY OF

Maricopa
(county name)
April, 2023
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(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):

Maricopa

Name (owner or official) title:

Brian Smith, Vice President

Company name:

Lago Del Oro Water Company

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 (\$)

\$2,990,349

(The amount in the box above includes

\$189,161

in sales taxes
billed or collected)

[Signature]
signature of owner/official

480-895-9200

telephone no.

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

Maricopa
(county name)

THIS

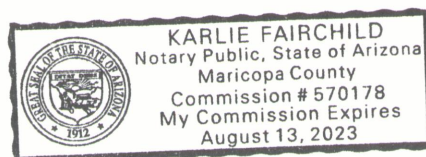
12th

DAY OF

April, 2023
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(date)



[Signature]
(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):

Maricopa

Name (owner or official) title:

Brian Smith, Vice President

Company name:

Lago Del Oro Water Company

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 (\$)

\$2,366,343

(The amount in the box above includes

\$149,635 in sales taxes
billed or collected)


signature of owner/official

480-895-9200

telephone no.

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

Maricopa
(county name)

THIS

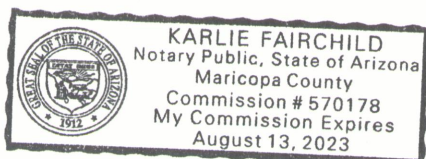
12th

DAY OF

April, 2023
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(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):

Maricopa

Name (owner or official) title:

Brian Smith, Vice President

Company name:

Lago Del Oro Water Company

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

480-895-9200

telephone no.

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

Maricopa
(county name)

THIS

12th

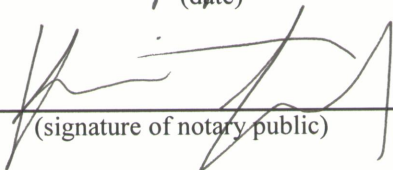
DAY OF

April, 2023
(month) and (year)

MY COMMISSION EXPIRES

8/13/2023
(date)




(signature of notary public)