

ANNUAL REPORT

Of

Company Name: Lagoon Estates Water Company, Inc.
2600 N. 44th St., Ste. 203

Mailing Address: Phoenix AZ
85008

Docket No.: W-01825A
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: 4/26/2023

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Lagoon Estates Water Company, 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:

On-Site Manager

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

Owner

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

Management Contact

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

Regulatory and On-Site Manager Contact

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

Ownership:

Counties Served:

Important changes during the year
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	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
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	If yes, please provide specific details in the box below.
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	N/A
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	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
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	If yes, please provide specific details in the box below.
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	N/A
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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	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	28,262	0	0	28,262	0	28,262
304	Structures and Improvements	43,779	0	0	43,779	43,779	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	137,930	0	0	137,930	137,930	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	119,332	1,166	0	120,498	119,947	551
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	25,452	0	0	25,452	25,452	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	76,020	0	0	76,020	76,020	0
330.1	Storage Tanks	0	0	0	0	0	0
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	241,640	4,739	0	246,379	245,533	846
333	Services	0	0	0	0	0	0
334	Meters and Meter Installations	61,276	1,425	0	62,701	0	62,701
335	Hydrants	448	0	0	448	0	448
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	7,661	0	0	7,661	4,434	3,227
340	Office Furniture and Equipment	13,461	0	0	13,461	13,461	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	4,387	0	0	4,387	4,387	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$759,648	\$7,331	\$0	\$766,979	\$670,943	\$96,036

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	28,262	0	0	28,262	0	28,262	0.00%	0
304	Structures and Improvements	43,779	0	0	43,779	0	43,779	0.00%	0
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	137,930	0	0	137,930	0	137,930	0.00%	0
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	119,332	1,166	0	120,498	0	120,498	2.00%	2,398
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	25,452	0	0	25,452	0	25,452	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	76,020	0	0	76,020	0	76,020	2.20%	1,672
330.1	Storage Tanks	0	0	0	0	0	0	0.00%	0
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	241,640	4,739	0	246,379	0	246,379	2.00%	4,880
333	Services	0	0	0	0	0	0	0.00%	0
334	Meters and Meter Installations	61,276	1,425	0	62,701	0	62,701	8.33%	5,164
335	Hydrants	448	0	0	448	0	448	0.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	7,661	0	0	7,661	0	7,661	6.67%	511
340	Office Furniture and Equipment	13,461	0	0	13,461	0	13,461	6.67%	898
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	4,387	0	0	4,387	0	4,387	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	0
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	0	0	0	0	0	0	0.00%	0
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	\$759,648	\$7,331	\$0	\$766,979	\$0	\$766,979		\$15,523

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	2.02%
Amortization of CIAC	\$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE **\$15,523**

Lagoon Estates Water Company, 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		\$2,951	\$9,840
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	0
146	Notes Receivable from Associated Companies		0	(200)
151	Plant Material and Supplies		5,729	5,729
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$8,680	\$15,370
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$759,649	\$766,979
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(659,387)	(670,943)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$100,262	\$96,036
	Total Assets		\$108,942	\$111,405

*Note these items feed automatically from AR3 UPIS Page 4

Lagoon Estates Water Company, 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		\$1,308	\$573
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		34,064	37,195
236	Accrued Taxes		9,529	11,305
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$44,901	\$49,073
	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		35,079	35,079
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
	Total Deferred Credits		\$35,079	\$35,079
	Total Liabilities		\$79,980	\$84,152
	Capital Accounts			
201	Common Stock Issued		\$75,215	\$75,214
211	Other Paid-In Capital		101,471	101,471
215	Retained Earnings		(147,724)	(149,432)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$28,962	\$27,254
	Total Liabilities and Capital		\$108,942	\$111,405

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

Lagoon Estates Water Company, 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	\$227,392	\$177,916
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	7,847	4,910
474	Other Water Revenue	2,683	21,656
	Total Revenues	\$237,921	\$204,482
	Operating Expenses		
601	Salaries and Wages	\$89,103	\$84,069
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	10,857	11,299
618	Chemicals	1,073	749
620	Materials and Supplies	0	3,363
620.1	Repairs and Maintenance	23,274	6,613
620.2	Office Supplies and Expense	14,886	15,984
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	0	0
633	Contractual Services - Legal	3,400	0
634	Contractual Services - Management Fees	11,700	11,700
635	Contractual Services - Water Testing	5,813	3,445
636	Contractual Services - Other	0	0
640	Rents	11,700	11,700
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	6,658	5,933
657	Insurance - General Liability	7,923	6,724
657.1	Insurance - Health and Life	17,922	4,888
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	4,148	1,427
403	Depreciation Expense (From Schedule AR4)	15,523	15,283
408	Taxes Other Than Income	15,225	16,626
408.11	Property Taxes	4,372	8,800
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	73
	Total Operating Expenses	\$243,576	\$208,676
	Operating Income / (Loss)	(\$5,654)	(\$4,194)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	20	0
	Total Other Income / (Expense)	\$20	\$0
	Net Income / (Loss)	(\$5,634)	(\$4,194)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	1.0	0.0	0.0	1.0
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)	1.0	0.0	0.0	1.0
Meter reader	1.0	0.0	0.0	1.0
Customer Service	1.0	0.0	0.0	1.0
Accounting	0.0	0.0	0.0	0.0
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	4.0	0.0	0.0	4.0

Lagoon Estates Water Company, 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	12/7/2022	N/A	N/A	N/A
Source of Loan	WIFA	N/A	N/A	N/A
ACC Decision No.	78550	N/A	N/A	N/A
Reason for Loan	Improvement	N/A	N/A	N/A
Dollar Amt. Issued	\$0	N/A	N/A	N/A
Amount Outstanding	\$682,222	N/A	N/A	N/A
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	4.20%	N/A	N/A	N/A
Current Year Interest	\$0	N/A	N/A	N/A
Current Year Principal	\$0	N/A	N/A	N/A

Meter Deposit Balance at Test Year End:	\$10,750
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Meter Deposits Refunded During the Test Year:	\$2,545
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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

[illegible]

Name of system water delivered to:	LAGOON ESTATES WATER CO	
ADWR PCC Number:		91-000317.0000
Source of water delivered to another system	NA	

Name of system water received from:	LAGOON ESTATES WATER CO	
<u>ADWR PCC Number:</u>	91-000332.0000	
Source of water received	Ground Water	
Well registry 55# (55-XXXXXX):	55-536722	

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	2,167,000.00	1,899,000.00	0.00	0.00	268,000.00	\$738	3,240
February	2,191,000.00	2,115,000.00	0.00	0.00	76,000.00	692	3,054
March	1,756,000.00	1,396,000.00	0.00	0.00	168,000.00	735	3,231
April	2,588,000.00	2,324,000.00	0.00	0.00	202,000.00	776	4,693
May	2,391,000.00	2,017,000.00	0.00	0.00	182,000.00	684	3,512
June	2,521,000.00	2,317,000.00	0.00	0.00	179,000.00	883	4,697
July	2,623,000.00	2,312,000.00	0.00	0.00	197,000.00	821	4,590
August	2,087,000.00	2,038,000.00	0.00	0.00	147,000.00	646	3,717
September	2,218,000.00	1,939,000.00	0.00	0.00	126,000.00	836	4,131
October	2,286,000.00	2,006,000.00	0.00	0.00	189,000.00	649	3,888
November	2,056,000.00	1,844,000.00	0.00	0.00	130,000.00	531	3,147
December	1,588,000.00	1,491,000.00	0.00	0.00	212,000.00	578	2,858
Totals	26,472,000.00	23,698,000.00	0.00	0.00	2,076,000.00	\$8,568	44,758

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

11.4	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. |

Name of system water received from:		
ADWR PCC Number:		
Source of water received	Ground Water	
Well registry 55# (55-XXXXXX):	55-618836, 55-618837	

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)
January	215,000.00	208,000.00	0.00	0.00	7,000.00	\$66	469
February	216,000.00	216,000.00	0.00	0.00	0.00	59	391
March	165,000.00	157,000.00	0.00	0.00	8,000.00	65	451
April	283,000.00	283,000.00	0.00	0.00	0.00	82	649
May	255,000.00	250,000.00	0.00	0.00	5,000.00	82	651
June	334,000.00	324,000.00	0.00	0.00	10,000.00	98	745
July	317,000.00	307,000.00	0.00	0.00	10,000.00	108	849
August	265,000.00	258,000.00	0.00	0.00	7,000.00	92	686
September	270,000.00	263,000.00	0.00	0.00	7,000.00	105	818
October	266,000.00	261,000.00	0.00	0.00	5,000.00	96	723
November	220,000.00	216,000.00	0.00	0.00	4,000.00	114	899
December	145,000.00	141,000.00	0.00	0.00	4,000.00	82	574
Totals	2,951,000.00	2,884,000.00	0.00	0.00	67,000.00	\$1,050	7,905

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

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.
#VALUE!	
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:		LAGOON ESTATES WATER CO UNIT 7	
ADEQ Public Water System Number:		AZ0408021	
ADWR PCC Number:		91-000317.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	AC/PVC	176,880
6.00	AC/PVC	10,570
8.00	AC/PVC	1,827
10.00	AC/PVC	1,833

SERVICE LINES		
Material	Percent of system	Year installed

BOOSTER PUMPS		
Horsepower	GPM	Quantity

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	376	0%	0%
1	1	0%	0%
Turbine 2	1	0%	0%
6	1	0%	0%
8	1	0%	0%

FIRE HYDRANTS	
Type	Quantity
Standard *	14
Other	2

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
500	STEEL	2	1994

* 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

Name of the System:	LAGOON ESTATES WATER CO UNIT 2		
ADEQ Public Water System Number:	AZ0408046		
ADWR PCC Number:	91-000332-0000		

MAINS

[illegible]

SERVICE LINES

Material	Percent of system	Year installed
PVC	90%	
Black poly	10%	

BOOSTER PUMPS

BOOSTER PUMPS		
Horsepower	GPM	Quantity

STORAGE TANKS

[illegible]

CUSTOMER METERS

[illegible]

FIRE HYDRANTS

FIRE HYDRANTS	
Type	Quantity
Standard *	
Other	2

PRESSURE/BLADDER TANKS

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	STEEL	1	1996

* 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:	GAS CHLORINATOR SYSTEM, CL2 SAFETY GAS DETECTOR/ALARM
STRUCTURES:	SHOP AND SHED
OTHER:	GENERATOR - GAS (NATURAL GAS)

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	
Method used:	

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:	ARSENIC BLENDING STATIC MIXER, WELL TIMING CLOCK STARTER
STRUCTURES:	SHED
OTHER:	GENERATOR DIESEL, DISINFECTION LIQUID METERING EQUIPMENT

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 days.
- (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
 Method used:

Customer and Other Information	
Name of the System:	LAGOON ESTATES WATER CO UNIT 7
ADEQ Public Water System Number:	AZ0408021
ADWR PCC Number:	91-000317.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	361	0	0	0	4
February	360	0	0	0	4
March	352	0	0	0	4
April	355	0	0	0	4
May	355	0	0	0	4
June	352	0	0	0	4
July	365	0	0	0	4
August	352	0	0	0	4
September	345	0	0	0	4
October	351	0	0	0	4
November	350	0	0	0	4
December	348	0	0	0	4

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.

REPLACE HYDRO-PNEUMATIC TANKS, REPLACING VALVES, WATER MAIN SADDLES AND SERVICE LINES. INSTALL A SCADA MONITORING SYSTEM.

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

Customer and Other Information		
Name of the System:	LAGOON ESTATES WATER CO UNIT 2	
ADEQ Public Water System Number:	AZ0408046	
ADWR PCC Number:	91-000332.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	39	0	6	0	0
February	39	0	6	0	0
March	40	0	6	0	0
April	38	0	6	0	0
May	41	0	6	0	0
June	42	0	6	0	0
July	43	0	6	0	0
August	43	0	6	0	0
September	42	0	6	0	0
October	41	0	6	0	0
November	41	0	6	0	0
December	41	0	6	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.

CONSTRUCTION OF NEW WELL SOURCE, REPLACING WATER LINES, WATER MAIN SADDLES AND SERVICE LINES.

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

Lagoon Estates Water Company, Inc.

Annual Report

Utility Shutoffs / Disconnects

12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	LAGOON ESTATES WATER CO UNIT 7
ADEQ Public Water System Number:	AZ0408021
ADWR PCC Number:	91-000317.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	2	0
February	0	2	0
March	0	1	0
April	0	3	0
May	0	2	0
June	0	1	0
July	0	1	0
August	0	1	0
September	0	1	0
October	0	2	0
November	0	2	0
December	0	0	0
Total	0	18	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.

Lagoon Estates Water Company, Inc.

Annual Report

Utility Shutoffs / Disconnects

12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	LAGOON ESTATES WATER CO UNIT 2
ADEQ Public Water System Number:	AZ0408046
ADWR PCC Number:	91-000332.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	2	0
February	0	2	0
March	0	2	0
April	0	2	0
May	0	2	0
June	0	2	0
July	0	1	0
August	0	1	0
September	0	1	0
October	0	1	0
November	0	2	0
December	0	0	0
Total	0	18	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 2022 was
--

\$8,133

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.

RECEIVED BY EMAIL

4/25/2023, 11:10 AM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

Lagoon Estates Water Company, Inc.
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): Mohave
Name (owner or official) title: CHARLES B SHERRILL JR, PRESIDENT
Company name: Lagoon Estates Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/22

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.

Charles B Sherrill Jr
signature of owner/official

602-275-0211
telephone no.

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

THIS

11th

DAY OF

Mohave

(county name)

April 2023

(month) and (year)

MY COMMISSION EXPIRES

Nov. 1, 2025
(date)



MICHELLE FREGOZO
Notary Public - State of Arizona
MOHAVE COUNTY
Commission # 814975
Expires November 1, 2025

Michelle Fregozo
(signature of notary public)

Verification and Sworn Statement

Verification:

State of Arizona I, the undersigned of the
(state name)
County of (county name): Mohave
Name (owner or official) title: CHARLES B SHERRILL JR, PRESIDENT
Company name: Lagoon Estates Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/22

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 (\$)

\$204,482

(The amount in the box above includes

\$9,963 in sales taxes

billed or collected)

Charles B. Sherrill Jr
signature of owner/official

602-275-0211

telephone no.

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

THIS

11th

DAY OF

(county name)

April 2023

(month) and (year)

MY COMMISSION EXPIRES

Nov. 1, 2025
(date)



MICHELLE FREGOZO
Notary Public - State of Arizona
MOHAVE COUNTY
Commission # 614975
Expires November 1, 2025

Michelle Fregozo
(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):

Mohave

Name (owner or official) title:

CHARLES B SHERRILL JR, PRESIDENT

Company name:

Lagoon Estates Water Company, Inc.

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

FOR THE YEAR ENDING: 12/31/22

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 (\$)

\$204,482

(The amount in the box above includes

\$9,963

in sales taxes
billed or collected)

Charles B Sherrill Jr
signature of owner/official

602-275-0211

telephone no.

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

Mohave

(county name)

THIS

11th

DAY OF

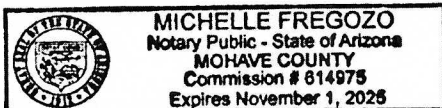
April 2023

(month) and (year)

MY COMMISSION EXPIRES

Nov. 1, 2025

(date)



Michelle Fregozo

(signature of notary public)

Lagoon Estates Water Company, Inc.
Annual Report
for Income Tax Statement of Certification
12/31/22

for Income Tax Statement of Certification

Verification:

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

County of (county name): Mohave
Name (owner or official) title: CHARLES B SHERRILL JR, PRESIDENT
Company name: Lagoon Estates Water Company, 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.

Charles B. Sherrill Jr.

signature of owner/official

602-275-0211

telephone no.

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

Mohave

(county name)

THIS

25th

DAY OF

April 2023

(month) and (year)

MY COMMISSION EXPIRES

Nov 1, 2025

(date)



MICHELLE FREGOZO
Notary Public - State of Arizona
MOHAVE COUNTY
Commission # 814975
Expires November 1, 2025

Michelle Fregozo
(signature of notary public)

WATER COMPANY PLANT DESCRIPTION (Continued)[illegible][illegible][illegible]

SERVICE LINES		
Material	Percent of system	Year installed
PVC	90%	
Black poly	10%	

BOOSTER PUMPS		
Horsepower	GPM	Quantity

FIRE HYDRANTS	
Quantity Standard*	Quantity Other
Standard *	
Other	2

[illegible]

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5000	STEEL	1	1996

Page 21b

WATER USE DATA SHEET							
Name of the System:		LAGOON ESTATES WATER CO UNIT 2					
ADEQ Public Water System Number:		AZ0408046					
ADWR PCC Number:		91-000332.0000					
(12 Months of Test Year)	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	215,000.000	208,000.000	0.000	0.000	7,000.000	\$66	469
February	216,000.000	216,000.000	0.000	0.000	0.000	59	391
March	165,000.000	157,000.000	0.000	0.000	8,000.000	65	451
April	283,000.000	283,000.000	0.000	0.000	0.000	82	649
May	255,000.000	250,000.000	0.000	0.000	5,000.000	82	651
June	334,000.000	324,000.000	0.000	0.000	10,000.000	98	745
July	317,000.000	307,000.000	0.000	0.000	10,000.000	108	849
August	265,000.000	258,000.000	0.000	0.000	7,000.000	92	686
September	270,000.000	263,000.000	0.000	0.000	7,000.000	105	818
October	266,000.000	261,000.000	0.000	0.000	5,000.000	96	723
November	220,000.000	216,000.000	0.000	0.000	4,000.000	114	899
December	145,000.000	141,000.000	0.000	0.000	4,000.000	82	574
TOTAL	2,951,000.000	2,884,000.000	0.000	0.000	67,000.000	\$1,050	7,905

If yes, are the fire flow requirements? N/A GPM for N/A hrs.

Does the system have chlorination treatment? No

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

Does the Company have an ADWR Gallons Per Capita Per Day (GCPCPD) requirement? No

If yes, provide the GCPCPD amount: N/A

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

N/A

1 Water withdrawn - Total acre feet of water withdrawn from pumped sources.

2 Water sold - Total acre feet from customer meters, and other sales such as construction water.

3 Water delivered (sold) to other systems - Total acre feet of water delivered to other systems.

4 Water received (purchased) from other systems - Total acre feet of water purchased/received from other systems.

5 Estimated authorized use - Total estimated acre feet from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter

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.

CUSTOMER DATA SHEET						
Name of the System:		LAGOON ESTATES WATER CO UNIT 2				
ADEQ Public Water System Number:		AZ0408046				
ADWR PCC Number:		91-000332.0000				
Month	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential	
January	39	0	6	0	0	
February	39	0	6	0	0	
March	40	0	6	0	0	
April	38	0	6	0	0	
May	41	0	6	0	0	
June	42	0	6	0	0	
July	43	0	6	0	0	
August	43	0	6	0	0	
September	42	0	6	0	0	
October	41	0	6	0	0	
November	41	0	6	0	0	
December	41	0	6	0	0	