

ANNUAL REPORT

Of

Company Name: Cayetano, Inc. DBA Lakewood Water Company
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-01809A
For the Year Ended: 12/31/23

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: 6/20/2024

ARIZONA CORPORATION COMMISSION
 WATER UTILITY ANNUAL REPORT
 Cayetano, Inc. DBA Lakewood Water Company
 A Class Utility

For the Calendar Year Ended: 12/31/23

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

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.
	N/A

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	\$7,704	\$0	\$0	\$7,704	\$0	\$7,704
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	34,175	10,366	0	44,541	0	44,541
304	Structures and Improvements	15,880	0	0	15,880	8,664	7,216
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	89,410	0	0	89,410	27,263	62,147
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	1,512	0	0	1,512	1,324	188
311	Pumping Equipment	80,920	0	0	80,920	73,254	7,666
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	1,352	0	0	1,352	1,352	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	23,893	0	0	23,893	23,893	0
330.1	Storage Tanks	4,923	0	0	4,923	1,256	3,667
330.2	Pressure Tanks	14,695	0	0	14,695	14,695	0
331	Transmission and Distribution Mains	91,700	0	0	91,700	88,783	2,917
333	Services	11,356	0	0	11,356	10,752	604
334	Meters and Meter Installations	40,551	0	0	40,551	32,198	8,353
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	6,562	0	0	6,562	6,478	84
340.1	Computer & Software	8,835	0	0	8,835	8,835	0
341	Transportation Equipment	1,800	0	0	1,800	1,800	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	13,631	0	0	13,631	7,955	5,676
346	Communication Equipment	606	0	0	606	606	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$449,505	\$10,366	\$0	\$459,871	\$309,108	\$150,763

Cayetano, Inc. DBA Lakewood Water Company
 Annual Report
 Depreciation Expense for the Current Year (Water)
 12/31/23

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	\$7,704	\$0	\$0	\$7,704	\$7,704	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	34,175	10,366	0	44,541	44,541	0	0.00%	0
304	Structures and Improvements	15,880	0	0	15,880	3,326	12,554	3.33%	418
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	89,410	0	0	89,410	17,078	72,332	3.33%	2,409
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	1,512	0	0	1,512	0	1,512	5.00%	76
311	Pumping Equipment	80,920	0	0	80,920	63,708	17,212	12.50%	2,152
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	1,352	0	0	1,352	1,352	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	23,893	0	0	23,893	23,893	0	0.00%	0
330.1	Storage Tanks	4,923	0	0	4,923	0	4,923	2.22%	109
330.2	Pressure Tanks	14,695	0	0	14,695	14,695	0	5.00%	0
331	Transmission and Distribution Mains	91,700	0	0	91,700	87,413	4,287	2.00%	86
333	Services	11,356	0	0	11,356	9,779	1,577	3.33%	53
334	Meters and Meter Installations	40,551	0	0	40,551	25,562	14,989	8.33%	1,249
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	6,562	0	0	6,562	5,712	850	6.67%	57
340.1	Computer & Software	8,835	0	0	8,835	8,835	0	0.00%	0
341	Transportation Equipment	1,800	0	0	1,800	1,800	0	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	13,631	0	0	13,631	1,890	11,741	5.00%	587
346	Communication Equipment	606	0	0	606	606	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	\$449,505	\$10,366	\$0	\$459,871	\$317,894	\$141,977		\$7,194

Contribution(s) in Aid of Construction (Gross)	\$18,135
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	18,135
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	5.00%
Amortization of CIAC	\$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

Cayetano, Inc. DBA Lakewood Water Company
Annual Report
Balance Sheet Assets
12/31/23

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current and Accrued Assets			
131	Cash		\$36,435	\$35,952
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		4,567	8,310
146	Notes Receivable from Associated Companies		25,603	26,145
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$66,605	\$70,407
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$449,505	\$459,871
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(301,916)	(309,108)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$147,589	\$150,763
	Total Assets		\$214,194	\$221,170

*Note these items feed automatically from AR3 UPIS Page 4

Cayetano, Inc. DBA Lakewood Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2023)	Balance at End of Year (2023)
Account No.	Current Liabilities			
231	Accounts Payable		\$2,393	\$8,400
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		10,168	10,168
235	Customer Deposits		1,932	604
236	Accrued Taxes		445	530
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$14,938	\$19,702
	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		0	0
255	Accumulated Deferred Investment Tax Credits		1,437	1,437
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		18,135	18,135
281	Accumulated Deferred Income Tax		(18,135)	(18,135)
	Total Deferred Credits		\$1,437	\$1,437
	Total Liabilites		\$16,375	\$21,139
	Capital Accounts			
201	Common Stock Issued		\$15,790	\$15,790
211	Other Paid-In Capital		80,520	80,520
215	Retained Earnings		101,509	103,721
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$197,819	\$200,031
	Total Liabilities and Capital		\$214,194	\$221,170

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

Cayetano, Inc. DBA Lakewood Water Company
Annual Report
Water Comparative Income Statement
12/31/23

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
461	Metered Water Revenue	\$109,900	\$102,392
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	578	0
474	Other Water Revenue	1,997	2,748
	Total Revenues	\$112,475	\$105,140
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	10,203	9,825
618	Chemicals	0	0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	630	1,867
620.2	Office Supplies and Expense	937	574
630	Contractual Services	317	0
631	Contractual Services - Engineering	520	715
632	Contractual Services - Accounting	2,199	4,591
633	Contractual Services - Legal	23,551	15,334
634	Contractual Services - Management Fees	49,749	48,000
635	Contractual Services - Water Testing	1,896	1,740
636	Contractual Services - Other	0	0
640	Rents	1,635	1,510
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	3,258	2,994
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	1,772	1,158
403	Depreciation Expense (From Schedule AR4)	7,194	7,194
408	Taxes Other Than Income	0	18
408.11	Property Taxes	6,266	4,772
409	Income Taxes	666	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$110,793	\$100,292
	Operating Income / (Loss)	\$1,682	\$4,848
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	530	17
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$530	\$17
	Net Income / (Loss)	\$2,212	\$4,865

Cayetano, Inc. DBA Lakewood Water Company
 Annual Report
 Full time equivalent employees
 12/31/23

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	0.5	0.5
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	1.0	1.0
Meter reader	0.0	0.0	0.0	0.0
Customer Service	0.0	0.0	0.2	0.2
Accounting	0.0	0.0	0.1	0.1
Business Office	0.0	0.0	0.1	0.1
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	1.9	2.4

Cayetano, Inc. DBA Lakewood Water Company
 Annual Report
 Supplemental Financial Data (Long-Term Debt)
 12/31/23

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	na	na	na	na
Source of Loan	0	0	0	0
ACC Decision No.	0	0	0	0
Reason for Loan	0	0	0	0
Dollar Amt. Issued	\$0	\$0	\$0	\$0
Amount Outstanding	\$0	\$0	\$0	\$0
Date of Maturity	na	na	na	na
Interest Rate	0.00%	0.00%	0.00%	0.00%
Current Year Interest	\$0	\$0	\$0	\$0
Current Year Principal	\$0	\$0	\$0	\$0

Meter Deposit Balance at Test Year End:	na
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Meter Deposits Refunded During the Test Year:	na
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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:		LAKEWOOD WATER CO									
ADEQ Public Water System Number		AZ0410063									
ADWR PCC Number		91-000426 0000									
Well registry 55# (55-XXXXXX)	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2013	Water level 2023	Meter Size (inches)	How measured	Active
55-629430	25	175	257	10	submersible	1972	70	80	3	Metered	Yes
55-629431	25	250	254	14	submersible	1972	70	80	3	Metered	Yes

Name of system water delivered to: _____
 ADWR PCC Number: na
 Source of water delivered to another system: NA

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 Expense6	Purchased Power (kWh)7
January	1,883,700.00	1,680,340.00	0.00	0.00	0.00	\$568	4,192
February	2,471,700.00	2,105,410.00	0.00	0.00	0.00	552	4,900
March	1,883,700.00	1,606,270.00	0.00	0.00	0.00	487	3,995
April	2,420,800.00	2,192,510.00	0.00	0.00	0.00	592	4,392
May	2,887,200.00	2,617,995.00	0.00	0.00	0.00	735	5,141
June	3,854,000.00	3,452,900.00	0.00	0.00	0.00	1,034	6,853
July	4,020,900.00	3,545,309.00	0.00	0.00	0.00	1,196	6,953
August	3,442,200.00	3,075,826.00	0.00	0.00	0.00	1,119	6,899
September	3,253,100.00	2,908,550.00	0.00	0.00	0.00	740	5,884
October	3,027,800.00	2,544,960.00	0.00	0.00	0.00	1,161	6,855
November	4,479,000.00	2,717,050.00	0.00	0.00	0.00	1,202	7,251
December	2,290,600.00	1,986,430.00	0.00	0.00	0.00	817	5,850
Totals	35,914,700.00	30,433,550.00	0.00	0.00	0.00	\$10,203	69,165

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:	LAKEWOOD WATER CO.
ADEQ Public Water System Number:	AZ0410063
ADWR PCC Number:	91-000426.0000

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC, Steel	6,350
4.00	ACP, C900	9,100
6.00	AC/PVC	3,450

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	322	57%	63%
0.75	2	100%	100%
1	6	67%	50%
1.5	1	0%	100%
2	2	100%	100%

SERVICE LINES			
Material	Percent of system	Year installed	
PVC	98%	70S	
Copper	2%	70S	

BOOSTER PUMPS		
Horsepower	GPM	Quantity
A		

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
50,000	STEEL	1	2008

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
5,000	STEEL	1	1962
5,000	STEEL	1	2000

* 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:	CHLORINATOR
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STRUCTURES:	NA
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OTHER:	NA
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Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by
- (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	265
Method used:	(a)

Customer and Other Information	
Name of the System:	LAKWOOD WATER CO.
ADEQ Public Water System Number:	AZ0410063
ADWR PCC Number:	91-000426.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	315	0	0	0	0
February	313	0	0	0	0
March	314	0	0	0	0
April	313	0	0	0	0
May	313	0	0	0	0
June	315	0	0	0	0
July	314	0	0	0	0
August	315	0	0	0	0
September	313	0	0	0	0
October	313	0	0	0	0
November	313	0	0	0	0
December	313	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.

Cayetano, Inc. DBA Lakewood Water Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	LAKWOOD WATER CO.
ADEQ Public Water System Number:	AZ0410063
ADWR PCC Number:	91-000426.0000

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):

N/A

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.

Cayetano, Inc. DBA Lakewood Water Company
Annual Report
Property Taxes
12/31/23

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2023 was	\$6,266
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If no property taxes paid, explain why. n/a
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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.

Verification and Certification (Taxes)

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

County of (county name): Cochise
Name (owner or official) title: DUSTIN DESPAIN
Company name: Cayetano, Inc. DBA Lakewood Water Company

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

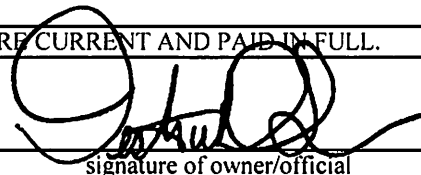
FOR THE YEAR ENDING: 12/31/23

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

520-265-5350
telephone no.