

ANNUAL REPORT

Of

Company Name: Lazy C Water Service
PO Box 1

Mailing Address: Tucson AZ
85702

Docket No.: W-01536A
For the Year Ended: 12/31/22

RECEIVED BY EMAIL
3/6/2023 11:56 AM
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: 3/6/2023

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Lazy C Water Service
A Class ☐ Utility

For the Calendar Year Ended: 12/31/22

Primary Address:

PO Box 1		
City: Tuscon	State: Arizona	Zip Code: 85702

Telephone Number:

520-743-0758

Date of Original Organization of Utility:

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Person to whom correspondence should be addressed concerning this report:

Name:

Rebecca Hiser

Telephone No. :

520-743-0758

Address:

same					
City: <table border="1"><tr><td></td></tr></table>		State: <table border="1"><tr><td></td></tr></table>		Zip Code: <table border="1"><tr><td></td></tr></table>	

Email:

lazycwater@outlook.com

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Name:

Robert Canfield II

Telephone No. :

520-743-0758

Address:

same					
City: <table border="1"><tr><td></td></tr></table>		State: <table border="1"><tr><td></td></tr></table>		Zip Code: <table border="1"><tr><td></td></tr></table>	

Email:

lazycwater@outlook.com

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Name:

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Telephone No. :

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Email:

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Name:

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Telephone No. :

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Address:

City: <table border="1"><tr><td></td></tr></table>		State: <table border="1"><tr><td></td></tr></table>		Zip Code: <table border="1"><tr><td></td></tr></table>	

Email:

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Ownership:

"C" Corporation

Counties Served:

Pima

Important changes during the year
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No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	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	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	74	0	0	74	0	74
304	Structures and Improvements	3,135	0	0	3,135	261	2,874
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	17,092	800	0	17,892	15,366	2,526
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	215,227	14,228	0	229,454	160,223	69,231
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	232,701	0	0	232,701	30,599	202,103
330.2	Pressure Tanks	8,480	1,223	0	9,703	6,352	3,350
331	Transmission and Distribution Mains	373,699	746	0	374,445	205,261	169,184
333	Services	11,340	0	0	11,340	5,558	5,782
334	Meters and Meter Installations	76,889	4,189	0	81,078	30,657	50,422
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	5,722	0	0	5,722	5,708	14
340	Office Furniture and Equipment	1,999	0	0	1,999	1,988	11
340.1	Computer & Software	11,970	0	0	11,970	4,004	7,966
341	Transportation Equipment	37,368	0	0	37,368	37,368	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	4,525	0	0	4,525	2,306	2,220
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	\$1,000,223	\$21,185	\$0	\$1,021,408	\$505,652	\$515,756

Lazy C Water Service
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	74	0	0	74	0	74	0.00%	0
304	Structures and Improvements	3,135	0	0	3,135	0	3,135	3.33%	104
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	17,092	800	0	17,892	0	17,892	3.33%	582
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	215,227	14,228	0	229,454	116,195	113,259	12.50%	13,268
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	232,701	0	0	232,701	0	232,701	2.22%	5,166
330.2	Pressure Tanks	8,480	1,223	0	9,703	5,695	4,008	5.00%	170
331	Transmission and Distribution Mains	373,699	746	0	374,445	0	374,445	2.00%	7,481
333	Services	11,340	0	0	11,340	0	11,340	3.33%	378
334	Meters and Meter Installations	76,889	4,189	0	81,078	10,306	70,772	8.33%	4,975
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	5,722	0	0	5,722	5,322	400	6.67%	27
340	Office Furniture and Equipment	1,999	0	0	1,999	1,673	326	6.67%	22
340.1	Computer & Software	11,970	0	0	11,970	590	11,380	20.00%	2,276
341	Transportation Equipment	37,368	0	0	37,368	37,368	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	4,525	0	0	4,525	1,671	2,854	5.00%	143
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	\$1,000,223	\$21,185	\$0	\$1,021,408	\$178,820	\$842,588		\$34,592

Contribution(s) in Aid of Construction (Gross)	\$23,000
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$23,000
Times: Proposed Amortization Rate	4.35%
Amortization of CIAC	\$1,001

Less: Amortization of CIAC **\$1,001**

DEPRECIATION EXPENSE **\$33,592**

Lazy C Water Service
 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		\$7,526	\$1,732
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		11,953	12,631
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		13,065	18,664
	Total Current and Accrued Assets		\$32,544	\$33,027
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,000,223	\$1,021,408
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(471,059)	(505,652)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$529,163	\$515,756
	Total Assets		\$561,707	\$548,784

*Note these items feed automatically from AR3 UPIS Page 4

Lazy C Water Service
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		\$4,898	\$10,474
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		21,873	25,607
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		15,525	23,538
	Total Current Liabilities		\$42,296	\$59,619
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$316,163	\$303,553
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		47,905	47,828
255	Accumulated Deferred Investment Tax Credits		0	
271	Contributions in Aid of Construction		23,000	23,000
272	Less: Amortization of Contributions		(8,385)	(9,385)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$62,520	\$61,443
	Total Liabilities		\$420,979	\$424,615
	Capital Accounts			
201	Common Stock Issued		\$10,000	\$10,000
211	Other Paid-In Capital		36,219	36,219
215	Retained Earnings		94,508	77,949.21
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$140,728	\$124,169
	Total Liabilities and Capital		\$561,707	\$548,784

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

Lazy C Water Service
 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	\$133,608	\$134,039
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	29,521	29,018
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	760	30
	Total Revenues	\$163,889	\$163,087
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	25,720	19,068
615	Purchased Power	18,814	17,002
618	Chemicals		0
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	2,042	1,993
620.2	Office Supplies and Expense	3,756	7,618
630	Contractual Services	0	0
631	Contractual Services - Engineering		0
632	Contractual Services - Accounting	2,030	2,314
633	Contractual Services - Legal	0	0
634	Contractual Services - Management Fees	57,200	53,000
635	Contractual Services - Water Testing	1,259	910
636	Contractual Services - Other	1,500	700
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	2,825	0
650	Transportation Expenses	1,408	567
657	Insurance - General Liability	3,786	3,664
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	1188.35	1,309
403	Depreciation Expense (From Schedule AR4)	33,592	30,409
408	Taxes Other Than Income	0	0
408.11	Property Taxes	7,744	7,787
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$162,863	\$146,341
	Operating Income / (Loss)	\$1,026	\$16,746
	Other Income / (Expense)		
419	Interest and Dividend Income	\$1	\$1
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(17,624)	(17,893)
	Total Other Income / (Expense)	(\$17,623)	(\$17,893)
	Net Income / (Loss)	(\$16,597)	(\$1,146)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			0.4	0.4
Engineering Staff				0.0
System Operator(s)			0.6	0.6
Meter reader				0.0
Customer Service				0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other			0.5	0.5
Total	0.0	0.0	1.5	1.5

Lazy C Water Service
 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	11/9/2018			
Source of Loan	WIFA			
ACC Decision No.	76676			
Reason for Loan	New Tank, Line			
Dollar Amt. Issued	\$352,851			
Amount Outstanding	\$303,553			
Date of Maturity	10/1/2038			
Interest Rate	4.71%			
Current Year Interest	\$14,634			
Current Year Principal	\$12,611			

Meter Deposit Balance at Test Year End:	\$4,792
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Meter Deposits Refunded During the Test Year:	\$0
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Well and Water Usage

[illegible]

Name of system water delivered to:	
<u>ADWR PCC Number:</u>	
Source of water delivered to another system	

Name of system water received from	TUCSON, CITY OF		
ADWR PCC Number:	91-000439.0000		
Source of water received	Ground Water		
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	1,105,986.00	941,181.00		0.00	5,000.00	\$964	6,818
February	1,119,695.00	968,396.00		48,021.60	5,000.00	1,093	7,905
March	1,024,446.00	1,237,426.00		500,337.20	5,000.00	897	6,192
April	1,303,691.00	1,480,923.00		428,005.60	0.00	1,241	9,118
May	1,396,219.00	1,878,290.00		593,837.20	0.00	1,776	10,645
June	1,326,940.00	1,765,059.00		570,724.00	5,000.00	2,365	14,241
July	1,735,973.00	1,888,942.00		393,148.80	5,000.00	2,316	13,946
August	1,623,253.00	1,355,428.00		307,203.60	5,000.00	2,157	12,938
September	1,299,983.00	1,437,227.00		261,426.00	0.00	2,151	12,903
October	1,378,817.00	1,456,784.00		236,592.40	15,000.00	1,471	10,266
November	905,756.00	1,209,814.00		405,266.40	0.00	1,230	8,659
December	950,200.00	919,979.00		108,609.60	10,000.00	1,153	8,019
Totals	15,170,959.00	16,539,449.00	0.00	3,853,172.40	55,000.00	\$18,814	121,650

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. |

Water Utility Plant Description			
Name of the System:		LAZY 'C' WATER SERVICE	
ADEQ Public Water System Number:		AZ0410065	
ADWR PCC Number:		91-000428.0000	

[illegible]

SERVICE LINES		
Material	Percent of system	Year installed
Copper	90%	99-2017
Galvanized steel	7%	<1996
Black poly	3%	2018
Copper	0%	2020

BOOSTER PUMPS		
Horsepower	GPM	Quantity
10	25	1
25	60	2
20	40	1

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
100,000	steel	1	1975?
10,000	steel	1	1996?
18,000	steel	1	1998?
100,000	steel	1	2020

[illegible]

FIRE HYDRANTS	
Type	Quantity
Standard *	1
Other	

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
3,000	steel	2	1975?
2,000	steel	1	1996?
100	steel	2	2018
100	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)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	
STRUCTURES:	330 foot chain link fence, 6 feet tall. 68 feet grape stake, 5 feet tall. 300 foot concrete block wall, 5 feet tall. 6 foot gates, 3 pieces.
OTHER:	

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	313
Method used:	(a)

Customer and Other Information	
Name of the System:	LAZY 'C' WATER SERVICE
ADEQ Public Water System Number:	AZ0410065
ADWR PCC Number:	91-000428.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	144	0	0	0	0
February	145				
March	145				
April	145				
May	145				
June	145				
July	145				
August	145				
September	145				
October	145				
November	145				
December	145				

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.

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

Lazy C Water Service
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	LAZY 'C' WATER SERVICE
ADEQ Public Water System Number:	AZ0410065
ADWR PCC Number:	91-000428.0000

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 relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2022 was
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\$7,000

If no property taxes paid, explain why.

The Company has not been financially able to make further progress on the past due property taxes.
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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 Sworn Statement (Taxes)

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

County of (county name):

Pima

Name (owner or official) title:

Rebecca Hiser

Company name:

Lazy C Water Service

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 NOT CURRENT AND PAID IN FULL.

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

Rebecca C. Hiser

signature of owner/official

520-743-0758

telephone no.

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

THIS

6th

DAY OF

Pima

(county name)

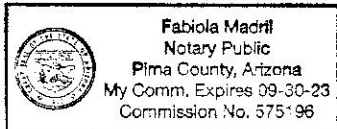
March 2023
(month) and (year)

MY COMMISSION EXPIRES

9/30/2023
(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):

Pima

Name (owner or official) title:

Rebecca Hiser

Company name:

Lazy C Water Service

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 (\$)

\$172,050

(The amount in the box above includes

\$8,161

in sales taxes
billed or collected)

Rebecca C Hiser

signature of owner/official

520-743-0758

telephone no.

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

THIS

6th

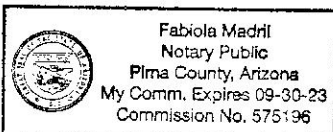
DAY OF

Pima
(county name)

March 2023
(month) and (year)

MY COMMISSION EXPIRES

9/30/2023
(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):

Pima

Name (owner or official) title:

Rebecca Hiser

Company name:

Lazy C Water Service

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 (\$)

\$172,050

(The amount in the box above includes

\$8,161

in sales taxes
billed or collected)

Rebecca C. Hiser
signature of owner/official

520-743-0758

telephone no.

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

Pima

(county name)

THIS

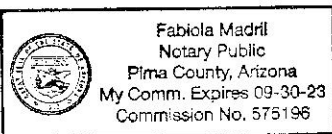
17th

DAY OF

March 23
(month) and (year)

MY COMMISSION EXPIRES

9/30/2023
(date)



[Signature]
(signature of notary public)

Gross-up Sharing Method for Income Tax Statement of Certification

Verification:

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

County of (county name):

Pima

Name (owner or official) title:

Rebecca Hiser

Company name:

Lazy C Water Service

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.

Rebecca C Hiser

signature of owner/official

520-743-0758

telephone no.

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

Pima
(county name)

THIS

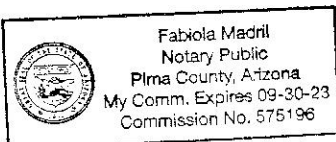
6th

DAY OF

March 2023
(month) and (year)

MY COMMISSION EXPIRES

9/30/2023
(date)



[Signature]

(signature of notary public)