

ANNUAL REPORT

Of

Company Name: **Lord Arizona Water Systems, Inc.**
PO Box 3048

Mailing Address: Show Low AZ
85902

Docket No.: W-02479A

For the Year Ended: **12/31/20**

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: **12/9/21**

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Lord Arizona Water Systems, Inc.
A Class ☐ Utility

For the Calendar Year Ended: 12/31/20

Primary Address:

PO Box 86150

City:

Tucson

 State:

Arizona

 Zip Code:

85754

Telephone Number:

520-623-5172

Date of Original Organization of Utility:

4/21/03

Person to whom correspondence should be addressed concerning this report:

Name:

GARY WENE

Telephone No. :

512-470-5065

Address:

2015 N FORBES BLVD, SUITE 107

City:

TUCSON

 State:

ARIZONA

 Zip Code:

85745

Email:

gwene@SOUTHWESTERNUTILITY.COM
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On-Site Manager

Name:

DUSTIN GRUSKIEWICH

Telephone No. :

628-537-8739

Address:

PO BOX 245

City:

TAYLOR

 State:

ARIZONA

 Zip Code:

85939

Email:

DUSTIN@CEDARGROVEWATER.COM
--

Management Contact

Name:

GARY WENE

Telephone No. :

512-470-5065

Address:

2015 N FORBES BLVD, SUITE 107

City:

TUSCON

 State:

ARIZONA

 Zip Code:

85745

Email:

gwene@SOUTHWESTERNUTILITY.COM
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Regulatory and Management Contact

Name:

Gary Wene

Telephone No. :

512-470-5065

Address:

2015 N FORBES BLVD, SUITE 107

City:

Tucson

 State:

Arizona

 Zip Code:

85745

Email:

gwene@southwesternutility.com
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Statutory Agent

Name:

Steve Wene

Telephone No. :

602-604-2189

Address:

1850 N. Central Ave. Suite 1100

City:

Phoenix

 State:

Arizona

 Zip Code:

85339

Email:

swene@law-msh.com
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Ownership:

"S" Corporation

Counties Served:

Apache

Important changes during the year
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Yes	<p>For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?</p> <p>If yes, please provide specific details in the box below.</p> <p>Yes. Gary Wene acquired ownership through Cedar Grove LLC.</p>
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No	<p>Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?</p> <p>If yes, please provide specific details in the box below.</p> <p>No.</p>
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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	\$10,500	\$0	\$0	\$10,500	\$0	\$10,500
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	24,300	0	0	24,300	0	24,300
304	Structures and Improvements	103,891	270,541	0	374,432	8,185	366,247
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	0	0	0	0	0	0
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	346,860	0	0	346,860	7,678	339,182
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	0	0	0	0	0	0
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	225,000	0	0	225,000	5,475	219,525
330.2	Pressure Tanks	10,353	0	0	10,353	540	9,813
331	Transmission and Distribution Mains	255,225	200,002	0	455,227	7,650	447,577
333	Services	85,300	0	0	85,300	3,022	82,278
334	Meters and Meter Installations	95,380	0	0	95,380	8,149	87,231
335	Hydrants	0	0	0	0	0	0
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	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	\$1,156,809	\$470,543	\$0	\$1,627,352	\$40,699	\$1,586,653

Lord Arizona Water Systems, Inc.
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/20

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	\$10,500	\$0	\$0	\$10,500	\$10,500	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	24,300	0	0	24,300	24,300	0	0.00%	0
304	Structures and Improvements	103,891	270,541	0	374,432	0	374,432	3.33%	7,964
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	2.50%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	2.50%	0
307	Wells and Springs	0	0	0	0	0	0	3.33%	0
308	Infiltration Galleries	0	0	0	0	0	0	6.67%	0
309	Supply Mains	346,860	0	0	346,860	0	346,860	2.00%	6,937
310	Power Generation Equipment	0	0	0	0	0	0	5.00%	0
311	Pumping Equipment	0	0	0	0	0	0	12.50%	0
320	Water Treatment Equipment	0	0	0	0	0	0	3.33%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	3.33%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	20.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	10.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	2.22%	0
330.1	Storage Tanks	225,000	0	0	225,000	0	225,000	2.22%	4,995
330.2	Pressure Tanks	10,353	0	0	10,353	0	10,353	5.00%	518
331	Transmission and Distribution Mains	255,225	200,002	0	455,227	0	455,227	2.00%	7,105
333	Services	85,300	0	0	85,300	0	85,300	3.33%	2,840
334	Meters and Meter Installations	95,380	0	0	95,380	0	95,380	8.33%	7,945
335	Hydrants	0	0	0	0	0	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	6.67%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	6.67%	0
340	Office Furniture and Equipment	0	0	0	0	0	0	6.67%	0
340.1	Computer & Software	0	0	0	0	0	0	20.00%	0
341	Transportation Equipment	0	0	0	0	0	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0	4.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	5.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	10.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	5.00%	0
346	Communication Equipment	0	0	0	0	0	0	10.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	10.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	20.00%	0
	Subtotal	\$1,156,809	\$470,543	\$0	\$1,627,352	\$34,800	\$1,592,552		\$38,304

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	2.41%
Amortization of CIAC	\$0

Less: Amortization of CIAC \$0

DEPRECIATION EXPENSE **\$38,304**

Lord Arizona Water Systems, Inc.
Annual Report
Balance Sheet Assets
12/31/20

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current and Accrued Assets			
131	Cash		\$9,125	\$1,803
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		0	17,139
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		0	0
	Total Current and Accrued Assets		\$9,125	\$18,942
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,156,809	\$1,627,352
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(2,395)	(40,699)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$1,154,414	\$1,586,653
	Total Assets		\$1,163,539	\$1,605,595

*Note these items feed automatically from AR3 UPIS Page 4

Lord Arizona Water Systems, Inc.
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current Liabilities			
231	Accounts Payable		\$5,345	\$26,820
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		15,490	6,540
236	Accrued Taxes		1,919	0
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	0
	Total Current Liabilities		\$22,754	\$33,360
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$710,531	\$715,391
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		242,611	242,611
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		\$242,611	\$242,611
	Total Liabilities		\$975,896	\$991,362
	Capital Accounts			
201	Common Stock Issued		\$6,100	\$431,399
211	Other Paid-In Capital		179,200	208,486
215	Retained Earnings		2,343	(25,652)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$187,643	\$614,233
	Total Liabilities and Capital		\$1,163,539	\$1,605,595

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

Lord Arizona Water Systems, Inc.
Annual Report
Water Comparative Income Statement
12/31/20

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2020 - 12/31/2020	Last Year 01/01/2019 - 12/31/2019
	Operating Revenue		
461	Metered Water Revenue	\$176,668	\$139,165
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	13,116	0
471	Miscellaneous Service Revenues	391	29,330
474	Other Water Revenue	0	0
	Total Revenues	\$190,176	\$168,495
	Operating Expenses		
601	Salaries and Wages	\$31,184	\$38,873
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	18,728	21,691
618	Chemicals	0	0
620	Materials and Supplies	2,644	0
620.1	Repairs and Maintenance	30,027	37,240
620.2	Office Supplies and Expense	3,412	9,403
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	20,895	4,111
633	Contractual Services - Legal	2,081	24,000
634	Contractual Services - Management Fees	11,396	7,109
635	Contractual Services - Water Testing	3,487	1,540
636	Contractual Services - Other	3,120	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	79	101
650	Transportation Expenses	3,421	1,893
657	Insurance - General Liability	3,972	943
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	33,381	0
403	Depreciation Expense (From Schedule AR4)	38,304	2,394
408	Taxes Other Than Income	9,340	8,145
408.11	Property Taxes	2,700	8,709
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$218,171	\$166,152
	Operating Income / (Loss)	(\$27,995)	\$2,343
	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)	0	0
	Total Other Income / (Expense)	\$0	\$0
	Net Income / (Loss)	(\$27,995)	\$2,343

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.4	0.0	0.0	0.4
Vice-president	0.0	0.0	0.0	0.0
Manager	0.4	0.0	0.0	0.4
Engineering Staff	0.0	0.0	0.2	0.2
System Operator(s)	1.0	0.0	0.0	1.0
Meter reader	0.0	0.0	0.2	0.2
Customer Service	0.0	0.0	0.4	0.4
Accounting	0.0	0.0	0.4	0.4
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	1.8	0.0	1.2	3.0

Lord Arizona Water Systems, Inc.
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/20

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:	\$0
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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:	NA	
ADWR PCC Number:		#N/A
Source of water delivered to another system	NA	

Name of system water received from:	CEDAR GROVE WATER CO	
ADWR PCC Number:	91-000018.0000	
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 Expense6	Purchased Power (kWh)7
January	1,307,100.00	1,307,100.00	0.00	0.00	0.00	\$813	6,682
February	2,508,284.00	2,508,284.00	0.00	0.00	0.00	1,560	12,822
March	646,305.00	1,165,810.00	0.00	0.00	0.00	402	3,304
April	1,550,585.00	1,490,607.00	0.00	0.00	0.00	964	7,927
May	2,373,233.00	2,074,713.00	0.00	0.00	0.00	1,476	12,132
June	2,898,257.00	2,548,660.00	0.00	0.00	0.00	1,802	14,816
July	3,572,093.00	2,639,395.00	0.00	0.00	0.00	2,222	18,261
August	3,171,522.00	2,469,186.00	0.00	0.00	0.00	1,972	16,213
September	3,808,154.00	2,391,229.00	0.00	0.00	0.00	2,368	19,467
October	3,426,186.00	2,081,110.00	0.00	0.00	0.00	2,131	17,515
November	2,426,186.00	1,003,120.00	0.00	0.00	0.00	1,509	12,403
December	2,426,186.00	1,247,830.00	0.00	0.00	0.00	1,509	12,403
Totals	30,114,091.00	22,927,044.00	0.00	0.00	0.00	\$18,728	153,944

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

NONE

- | | |
|---|---|
| 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:	LORD AZ WATER		
ADEQ Public Water System Number:	AZ0401373		
ADWR PCC Number:	91-000023.0000		

MAINS		
Sizes (inches)	Material	Length (feet)
4.00	PVC	12,051
6.00	PVC	44,277
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0
NA	NA	0

SERVICE LINES		
Material	Percent of system	Year installed
PVC	95%	0
BLUE POLY	5%	0
NA	0%	0
NA	0%	0
NA	0%	0

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	70	3
2	50	1
0	0	0
0	0	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
15,000	METAL	2	0
20,000	METAL	1	0
10,000	METAL	1	0
0	NONE	0	0
0	NONE	0	0
0	NONE	0	0

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	415	40%	98%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%
NA	0	0%	0%

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
80	METAL	1	0
0	NONE	0	0
0	NONE	0	0
0	NONE	0	0
0	NONE	0	0
0	NONE	0	0

* 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:	NONE
STRUCTURES:	8' X 8' PUMP HOSE, 15' X 25' BUILDING
OTHER:	NONE

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	157
Method used:	(a)

Customer and Other Information	
Name of the System:	LORD AZ WATER
ADEQ Public Water System Number:	AZ0401373
ADWR PCC Number:	91-000023.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	393	0	0	0	0
February	392	0	0	0	0
March	395	0	0	0	0
April	397	0	0	0	0
May	399	0	0	0	0
June	402	0	0	0	0
July	400	0	0	0	0
August	406	0	0	0	0
September	405	0	0	0	0
October	413	0	0	0	0
November	413	0	0	0	0
December	411	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.

NONE

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

Lord Arizona Water Systems, Inc.
Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects		
Name of the System:	LORD AZ WATER	
ADEQ Public Water System Number:		AZ0401373
ADWR PCC Number:		91-000023.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	1	0
February	0	0	0
March	0	1	0
April	0	0	0
May	0	1	0
June	0	0	0
July	0	1	0
August	0	0	0
September	0	1	0
October	0	0	0
November	0	1	0
December	0	0	0
Total	0	6	0

Other (description):

NA

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 2020 was	\$2,700

If no property taxes paid, explain why.

NA

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 I, the undersigned of the
(state name)

County of (county name):

Pima

Name (owner or official) title:

Gary Wene

Company name:

Lord Arizona Water Systems, Inc.

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

FOR THE YEAR ENDING:

12/31/20

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.

Gary Wene

signature of owner/official

800-713-8905

telephone no.

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

THIS

15th

DAY OF

Pima

(county name)

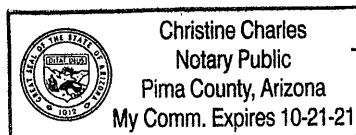
October 2021

(month) and (year)

MY COMMISSION EXPIRES

10-21-2021

(date)



Christine Charles

(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:

Gary Wene

Company name:

Lord Arizona Water Systems, Inc.

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

FOR THE YEAR ENDING: 12/31/20

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 (\$)

\$190,176

(The amount in the box above includes

\$9,340

in sales taxes
billed or collected)

Gary Wene
signature of owner/official

800-713-8905

telephone no.

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

THIS

15th

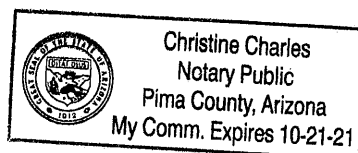
DAY OF

Pima
(county name)

October 2021
(month) and (year)

MY COMMISSION EXPIRES

10-21-2021
(date)



Christine Charles
(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:

Gary Wene

Company name:

Lord Arizona Water Systems, Inc.

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

FOR THE YEAR ENDING: 12/31/20

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 (\$)

\$190,176

(The amount in the box above includes

\$9,340

in sales taxes
billed or collected)



signature of owner/official

800-713-8905

telephone no.

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

Pima
(county name)

THIS

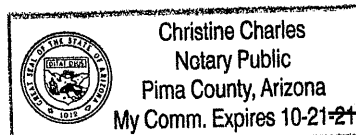
15th

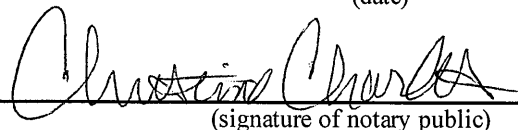
DAY OF

October, 2021
(month) and (year)

MY COMMISSION EXPIRES

10-21-2021
(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):

Pima

Name (owner or official) title:

Gary Wene

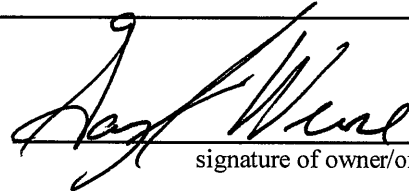
Company name:

Lord Arizona Water Systems, Inc.

FOR THE YEAR ENDING: 12/31/20

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

800-713-8905

telephone no.

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

Pima
(county name)

THIS

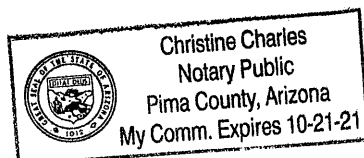
15th

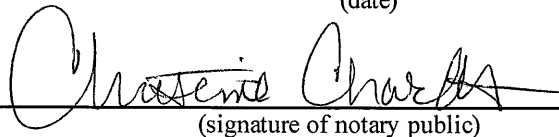
DAY OF

October, 2021
(month) and (year)

MY COMMISSION EXPIRES

10-21-2021
(date)




(signature of notary public)