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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT

Of

Company Name:

Mailing Address:

Docket No.:
For the Year Ended:

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@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:
Application Date:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Naco Water Company, LLC
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: Bnthomas@hearthstonecompany.com

On-Site Manager

Name:
Telephone No. :
Address:
City: State: Zip Code:
Email: juhland@hearthstonecompany.com

[Redacted Section Header]

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

[Redacted Section Header]

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

[Redacted Section Header]

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	\$198	\$0	\$0	\$198	\$0	\$198
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	6,145	0	0	6,145	0	6,145
304	Structures and Improvements	15,406	0	0	15,406	4,242	11,164
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	485,442	20,572	0	506,014	201,268	304,746
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	291,919	23,370	0	315,289	278,579	36,710
320	Water Treatment Equipment	1,824	0	0	1,824	1,824	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	2,132	0	0	2,132	2,132	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	128,969	0	0	128,969	93,012	35,957
330.1	Storage Tanks	305,997	0	0	305,997	71,020	234,977
330.2	Pressure Tanks	15,471	0	0	15,471	7,868	7,603
331	Transmission and Distribution Mains	1,754,415	13,412	0	1,767,827	644,104	1,123,723
333	Services	380,152	1,298	0	381,450	197,319	184,131
334	Meters and Meter Installations	140,122	2,708	0	142,830	103,958	38,872
335	Hydrants	34,717	0	0	34,717	22,997	11,720
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	7,583	0	0	7,583	1,770	5,813
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	761	0	761	19	742
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	1,290	0	0	1,290	323	968
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$3,571,782	\$62,121	\$0	\$3,633,903	\$1,630,435	\$2,003,468

Naco Water Company, LLC
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	\$198	\$0	\$0	\$198	\$198	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	6,145	0	0	6,145	6,145	0	0.00%	0
304	Structures and Improvements	15,406	0	0	15,406	0	15,406	3.33%	513
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	485,442	20,572	0	506,014	0	506,014	3.33%	16,508
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	291,919	23,370	0	315,289	252,286	63,003	12.50%	6,415
320	Water Treatment Equipment	1,824	0	0	1,824	1,824	0	3.33%	20
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	2,132	0	0	2,132	2,132	0	20.00%	91
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	128,969	0	0	128,969	0	128,969	2.22%	2,863
330.1	Storage Tanks	305,997	0	0	305,997	0	305,997	2.22%	6,793
330.2	Pressure Tanks	15,471	0	0	15,471	0	15,471	5.00%	774
331	Transmission and Distribution Mains	1,754,415	13,412	0	1,767,827	0	1,767,827	2.00%	35,222
333	Services	380,152	1,298	0	381,450	37,949	343,501	3.33%	12,520
334	Meters and Meter Installations	140,122	2,708	0	142,830	88,843	53,987	8.33%	4,384
335	Hydrants	34,717	0	0	34,717	0	34,717	2.00%	694
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	7,583	0	0	7,583	0	7,583	6.67%	506
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	761	0	761	0	761	5.00%	18
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	1,290	0	0	1,290	0	1,290	10.00%	129
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	\$3,571,782	\$62,121	\$0	\$3,633,903	\$389,377	\$3,244,526		\$87,451

Contribution(s) in Aid of Construction (Gross)	\$1,231,971
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$1,231,971
Times: Proposed Amortization Rate	2.05%
Amortization of CIAC	\$25,255

Less: Amortization of CIAC **\$25,255**

DEPRECIATION EXPENSE **\$62,196**

Naco Water Company, LLC
 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		\$91,868	\$17,804
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		10,953	19,976
146	Notes Receivable from Associated Companies		(2,298)	(758)
151	Plant Material and Supplies		0	0
162	Prepayments		3,121	4,893
174	Miscellaneous Current and Accrued Assets		309,279	314,455
	Total Current and Accrued Assets		\$412,923	\$356,370
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$3,571,782	\$3,633,903
103	Property Held for Future Use		0	0
105	Construction Work in Progress		79,256	92,431
108	Accumulated Depreciation (enter as negative)*		(1,542,984)	(1,630,435)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$2,108,054	\$2,095,899
	Total Assets		\$2,520,977	\$2,452,269

*Note these items feed automatically from AR3 UPIS Page 4

Naco Water Company, LLC
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		\$5,250	\$2,652
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	183,517
235	Customer Deposits		14,335	9,080
236	Accrued Taxes		7,461	9,911
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		1,003	1,279
	Total Current Liabilities		\$28,049	\$206,439
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$697,070	\$663,850
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		52,604	52,487
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,231,971	1,231,971
272	Less: Amortization of Contributions		(278,376)	(303,632)
281	Accumulated Deferred Income Tax		44,193	0
	Total Deferred Credits		\$1,050,392	\$980,826
	Total Liabilites		\$1,775,511	\$1,851,115
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		204,824	204,824
215	Retained Earnings		540,642	396,330
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$745,466	\$601,154
	Total Liabilities and Capital		\$2,520,977	\$2,452,269

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

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2023 - 12/31/2023	Last Year 01/01/2022 - 12/31/2022
	Operating Revenue		
461	Metered Water Revenue	\$272,049	\$286,240
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	2,968	4,169
474	Other Water Revenue	0	0
	Total Revenues	\$275,017	\$290,409
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	16,970	15,762
618	Chemicals	4,630	1,014
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	8,635	6,678
620.2	Office Supplies and Expense	3,144	2,767
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	0	655
633	Contractual Services - Legal	0	2,156
634	Contractual Services - Management Fees	223,064	99,215
635	Contractual Services - Water Testing	4,603	3,576
636	Contractual Services - Other	81,255	25,280
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	2,998	7,920
657	Insurance - General Liability	6,578	3,667
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	1,020	(114)
675	Miscellaneous Expense	1,925	2,571
403	Depreciation Expense (From Schedule AR4)	62,196	59,991
408	Taxes Other Than Income	0	0
408.11	Property Taxes	17,389	12,417
409	Income Taxes	(47,826)	4,095
427.1	Customer Security Deposit Interest	595	275
	Total Operating Expenses	\$387,176	\$247,925
	Operating Income / (Loss)	(\$112,159)	\$42,484
	Other Income / (Expense)		
419	Interest and Dividend Income	\$786	\$8
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(32,940)	(29,457)
	Total Other Income / (Expense)	(\$32,154)	(\$29,449)
	Net Income / (Loss)	(\$144,313)	\$13,035

Naco Water Company, LLC
 Annual Report
 Full time equivalent employees
 12/31/23

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			unable to	0.0
Engineering Staff			determine	0.0
System Operator(s)			without	0.0
Meter reader			significant	0.0
Customer Service			analysis	0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	0.0	0.0

Naco Water Company, LLC
 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	4/1/2008			
Source of Loan	WIFA			
ACC Decision No.	69393			
Reason for Loan	Improvements			
Dollar Amt. Issued	\$1,160,000			
Amount Outstanding	\$663,850			
Date of Maturity	9/1/2037			
Interest Rate	3.89%			
Current Year Interest	\$32,940			
Current Year Principal	\$33,220			

Meter Deposit Balance at Test Year End:	\$936
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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												
Name of the System:		NACO WATER CO LLC-BISBEE										
ADEQ Public Water System Number:		AZ0402112										
ADWR PCC Number:		91-000075.0000										
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2023	Meter Size (inches)	How measured:	Active	Yes
55-551849	5	20	462	10	Submersible	1995		540	4	Metered		

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

Name of system water received from:	NACO WATER CO
ADWR PCC Number:	91-000043.0000
Source of water received	Ground Water
Well registry 55# (55-XXXXXX):	55-551849 and 55-575700

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	70,210.00	69,800.00	0.00	0.00	0.00	\$154	442
February	173,170.00	193,320.00	0.00	0.00	0.00	306	2,072
March	347,980.00	229,477.00	0.00	0.00	0.00	379	2,797
April	178,530.00	117,700.00	0.00	0.00	0.00	360	2,592
May	370,632.00	294,000.00	0.00	0.00	0.00	407	3,068
June	288,718.00	255,170.00	0.00	0.00	0.00	328	2,232
July	145,070.00	344,920.00	0.00	0.00	0.00	355	2,302
August	201,940.00	291,370.00	0.00	0.00	0.00	309	2,020
September	208,000.00	274,550.00	0.00	0.00	0.00	328	2,218
October	237,240.00	208,720.00	0.00	0.00	0.00	310	2,084
November	192,930.00	329,638.00	0.00	0.00	0.00	318	2,161
December	269,990.00	94,092.00	0.00	0.00	0.00	300	1,972
Totals	2,684,410.00	2,702,757.00	0.00	0.00	0.00	\$3,854	25,960

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.

Well and Water Usage											
Name of the System:		NACO WATER CO									
ADEQ Public Water System Number:		AZ0402024									
ADWR PCC Number:		91-000043.0000									
Well registry 55# (55-XXXXXX):	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2010	Water level 2023	Meter Size (inches)	How measured:	Active
55-575700 Well 6	15	182	340	8	Submersible	1999	144	168	4	Metered	Yes
55-627683 Well 2	10	120	210	8	Submersible	1959	150	174	3	Metered	Yes
55-627684 Well 3	NA	NA	160	8	Submersible	1930	96	Offline			No

Name of system water delivered to:	NACO WATER CO LLC-BISBEE
ADWR PCC Number:	91-000075.0000
Source of water delivered to another system	Ground Water

Name of system water received from:	
ADWR PCC Number:	NA
Source of water received	
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 Expense ⁶	Purchased Power (kWh) ⁷
January	1,781,757.00	1,013,274.00	0.00	0.00	0.00	\$1,064	4,406
February	1,330,130.00	1,038,149.00	0.00	0.00	0.00	815	3,150
March	1,225,342.00	1,090,297.00	0.00	0.00	0.00	840	2,916
April	1,023,824.00	1,272,170.00	0.00	0.00	0.00	920	3,503
May	2,468,904.00	1,768,000.00	0.00	0.00	0.00	1,058	3,865
June	3,123,713.00	1,732,120.00	0.00	0.00	0.00	1,704	5,513
July	1,839,010.00	1,949,541.00	0.00	0.00	0.00	1,288	4,959
August	1,799,686.00	1,266,853.00	0.00	0.00	0.00	1,150	3,871
September	2,006,938.00	1,557,621.00	0.00	0.00	0.00	1,144	4,078
October	1,385,498.00	1,097,225.00	0.00	0.00	0.00	1,118	3,797
November	2,598,783.00	1,353,388.00	0.00	0.00	0.00	1,044	3,594
December	1,025,405.00	1,026,511.00	0.00	0.00	0.00	977	3,422
Totals	21,608,990.00	16,165,149.00	0.00	0.00	0.00	\$13,122	47,074

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

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:	NACO WATER CO LLC-BISBEE
ADEQ Public Water System Number:	AZ0402112
ADWR PCC Number:	91-000075.0000

MAINS		
Sizes (inches)	Material	Length (feet)
1.00	PVC, Steel	6,180
2.00	PVC	5,500
2.00	PVC Sch 80	1,755
4.00	PVC C900	5,985

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
5/8 X 3/4	53	2%	44%
0.75	0	0%	0%
1	1	0%	0%

SERVICE LINES		
Material	Percent of system	Year installed
PVC	20%	1968
Copper	20%	through
Black poly	60%	1999

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	25	2

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
22,800	Steel	1	1999

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
1,700	Steel	1	1999

* 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
STRUCTURES:	1,100 feet of 6 foot chain link fence
OTHER:	N/A

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	140
Method used:	(a)

Water Utility Plant Description

Name of the System:		NACO WATER CO
ADEQ Public Water System Number:	AZ0402024	
ADWR PCC Number:	91-000043.0000	

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC, Steel	1,470
4.00	PVC	10,711
6.00	PVC	17,220
8.00	PVC	330

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,00,000 gallons	Percent over 10 years old
5/8 X 3/4	249	7%	41%
0.75	1	0%	0%
1	4	50%	75%
1.5	1	100%	100%
2	8	25%	75%
3	1	0%	0%

SERVICE LINES			
Material	Percent of system	Year installed	
PVC	20%	1968	
Copper	20%	through	
Black poly	60%	1999	

BOOSTER PUMPS			
Horsepower	GPM	Quantity	
5	25	3	
7.5	150	1	
25	500	2	

FIRE HYDRANTS	
Type	Quantity
Standard *	18
Other	0

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
10,000	Steel	1	<2000
20,000	Steel	1	2012
55,000	Steel	1	<2000
101,500	Steel	1	2012

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
85	Steel/rubber	4	2014
2,100	Steel	1	2012
4,600	Steel	1	1999

* 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:	Two chlorinators
STRUCTURES:	1700 feet of 6 foot chain link fence, 6 x 6 foot chlorine shed
OTHER:	altitude valve in 4 x 6 foot vault

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

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 Method used:

(a)

Customer and Other Information	
Name of the System:	NACO WATER CO LLC-BISBEE
ADEQ Public Water System Number:	AZ0402112
ADWR PCC Number:	91-000075.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	54	1	1	0	0
February	55	1	1	0	0
March	55	1	1	0	0
April	53	1	1	0	0
May	53	1	1	0	0
June	52	1	1	0	0
July	52	1	1	0	0
August	52	1	1	0	0
September	50	1	1	0	0
October	52	1	1	0	0
November	53	1	1	0	0
December	52	1	1	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.

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

Customer and Other Information	
Name of the System:	NACO WATER CO
ADEQ Public Water System Number:	AZ0402024
ADWR PCC Number:	91-000043.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	232	0	24	0	0
February	232	0	24	0	0
March	228	0	24	0	0
April	233	0	25	0	0
May	231	0	26	0	0
June	239	0	22	0	0
July	238	0	23	0	0
August	234	0	23	0	0
September	232	0	23	0	0
October	241	0	22	0	0
November	242	0	23	0	0
December	241	0	23	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.

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

Naco Water Company, LLC
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	NACO WATER CO LLC-BISBEE
ADEQ Public Water System Number:	AZ0402112
ADWR PCC Number:	91-000075.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	2	0
March	0	1	0
April	0	0	0
May	0	2	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	1	0
Total	0	6	0

Other (description): NA

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.

Naco Water Company, LLC
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/23

Utility Shutoffs / Disconnects	
Name of the System:	NACO WATER CO
ADEQ Public Water System Number:	AZ0402024
ADWR PCC Number:	91-000043.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	Other
January	0	0	0
February	0	7	0
March	0	5	0
April	0	2	0
May	0	12	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	1	0
December	0	5	0
Total	0	32	0

Other (description): NA

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.

Naco Water Company, LLC
Annual Report
Property Taxes
12/31/23

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2023 was	
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	\$14,903
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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.

Verification and Sworn Statement (Taxes)

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

County of (county name):	Maricopa
Name (owner or official) title:	Bryan Thomas, President
Company name:	Naco Water Company, LLC

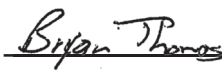
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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.

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.



signature of owner/official

623-935-1100
telephone no.