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**ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

ANNUAL REPORT

Of

Company Name:

Naco Water Company, LLC

PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-02860A
For the Year Ended:

12/31/21

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:

Original Filing

Application Date:

4/12/2022

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Naco Water Company, LLC
A Class ☒ Utility

For the Calendar Year Ended: 12/31/21

Primary Address:

6808 N Dysart Rd Ste 112
City: Glendale State: Arizona Zip Code: 85307

Telephone Number:

623-935-1100

Date of Original Organization of Utility:

9/28/1994

Person to whom correspondence should be addressed concerning this report:

Name:

Bryan Thomas

Telephone No. :

623-935-1100

Address:

6808 N Dysart Rd Ste 112
City: Glendale State: Arizona Zip Code: 85307

Email: bryan@vuwco.com

On-Site Manager
Name:

Mike Molina

Telephone No. :

520-623-5172

Address:

PO Box 85160
City: Tucson State: Arizona Zip Code: 85754

Email:

info@southwesternutility.com

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:

Limited Liability Company ("LLC")

Counties Served:

Cochise

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	\$198	\$0	\$0	\$198	\$0	\$198
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	4,345	1,800	0	6,145	0	6,145
304	Structures and Improvements	15,406	0	0	15,406	3,216	12,190
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	0	0	485,442	168,595	316,847
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	289,163	907	0	290,070	267,325	22,745
320	Water Treatment Equipment	1,824	0	0	1,824	1,743	81
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	2,132	0	0	2,132	1,859	273
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	128,969	0	0	128,969	87,286	41,683
330.1	Storage Tanks	305,997	0	0	305,997	57,434	248,563
330.2	Pressure Tanks	15,471	0	0	15,471	6,321	9,150
331	Transmission and Distribution Mains	1,740,446	8,566	0	1,749,012	573,847	1,175,165
333	Services	379,746	406	0	380,152	172,140	208,012
334	Meters and Meter Installations	121,507	0	0	121,507	95,539	25,968
335	Hydrants	34,717	0	0	34,717	21,608	13,109
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	7,583	0	0	7,583	759	6,824
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	20,298	0	20,298	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	1,290	0	1,290	65	1,225
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$3,553,244	\$12,969	\$20,298	\$3,545,915	\$1,457,737	\$2,088,178

Naco Water Company, LLC
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/21

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	4,345	1,800	0	6,145	4,345	1,800	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	0	0	485,442	0	485,442	3.33%	16,165
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	289,163	907	0	290,070	252,286	37,784	12.50%	4,666
320	Water Treatment Equipment	1,824	0	0	1,824	0	1,824	3.33%	61
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	1,223	909	20.00%	182
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	1,740,446	8,566	0	1,749,012	0	1,749,012	2.00%	34,895
333	Services	379,746	406	0	380,152	0	380,152	3.33%	12,652
334	Meters and Meter Installations	121,507	0	0	121,507	28,061	93,446	8.33%	7,221
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	20,298	0	20,298	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	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	1,290	0	1,290	0	1,290	10.00%	65
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	\$3,553,244	\$12,969	\$20,298	\$3,545,915	\$286,113	\$3,259,802		\$88,049

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	\$25,246

Less: Amortization of CIAC **\$25,246**

DEPRECIATION EXPENSE **\$62,803**

Naco Water Company, LLC
Annual Report
Balance Sheet Assets
12/31/21

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2021)	Balance at End of Year (2021)
Account No.	Current and Accrued Assets			
131	Cash		\$129,807	\$107,894
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		25,104	15,548
146	Notes Receivable from Associated Companies		0	7,684
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		67,122	59,116
	Total Current and Accrued Assets		\$222,033	\$190,242
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$3,553,244	\$3,545,915
103	Property Held for Future Use		0	0
105	Construction Work in Progress		2,448	59,426
108	Accumulated Depreciation (enter as negative)*		(1,389,987)	(1,457,737)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$2,165,705	\$2,147,604
	Total Assets		\$2,387,738	\$2,337,846

*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 (2021)	Balance at End of Year (2021)
Account No.	Current Liabilities			
231	Accounts Payable		\$1,663	\$2,501
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		16,762	15,332
236	Accrued Taxes		9,216	8,748
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		53	427
	Total Current Liabilities		\$27,694	\$27,008
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$763,723	\$730,728
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		70,483	68,910
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,231,035	1,231,971
272	Less: Amortization of Contributions		(227,875)	(253,121)
281	Accumulated Deferred Income Tax		91,833	89,228
	Total Deferred Credits		\$1,165,476	\$1,136,988
	Total Liabilities		\$1,956,893	\$1,894,724
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		204,824	204,824
215	Retained Earnings		226,021	238,298
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$430,845	\$443,122
	Total Liabilities and Capital		\$2,387,738	\$2,337,846

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

Naco Water Company, LLC
Annual Report
Water Comparative Income Statement
12/31/21

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2021 - 12/31/2021	Last Year 01/01/2020 - 12/31/2020
	Operating Revenue		
461	Metered Water Revenue	\$266,768	\$295,218
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	3,091	2,429
474	Other Water Revenue	0	0
	Total Revenues	\$269,859	\$297,647
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	14,385	17,287
618	Chemicals	238	949
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	6,609	9,154
620.2	Office Supplies and Expense	1,649	2,472
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	549	4,412
633	Contractual Services - Legal	3,550	4,290
634	Contractual Services - Management Fees	100,580	97,725
635	Contractual Services - Water Testing	1,891	2,071
636	Contractual Services - Other	13,288	39,611
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	7,920	9,027
657	Insurance - General Liability	2,053	2,720
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	1,950	2,136
675	Miscellaneous Expense	321	1,833
403	Depreciation Expense (From Schedule AR4)	62,803	62,850
408	Taxes Other Than Income	0	0
408.11	Property Taxes	14,982	14,323
409	Income Taxes	(2,058)	(5,296)
427.1	Customer Security Deposit Interest	518	296
	Total Operating Expenses	\$231,228	\$265,860
	Operating Income / (Loss)	\$38,631	\$31,787
	Other Income / (Expense)		
419	Interest and Dividend Income	\$250	\$661
421	Non-Utility Income	2,500	1,021
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(29,105)	(30,484)
	Total Other Income / (Expense)	(\$26,355)	(\$28,802)
	Net Income / (Loss)	\$12,276	\$2,985

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)
12/31/21

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	\$730,728			
Date of Maturity	1/1/2041			
Interest Rate	3.00%			
Current Year Interest	\$29,105			
Current Year Principal	\$32,995			

Meter Deposit Balance at Test Year End:	\$16,357
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Meter Deposits Refunded During the Test Year:	\$312
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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.

Naco Water Company, LLC
Annual Report
Well and Water Usage
12/31/21

[illegible]

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	328,930.00	193,540.00	0.00	73,200.00	0.00	\$325	2,887
February	228,400.00	224,310.00	0.00	52,770.00	0.00	301	2,493
March	138,660.00	138,160.00	0.00	0.00	0.00	218	1,618
April	199,830.00	144,853.00	0.00	0.00	0.00	281	2,338
May	330,960.00	313,947.00	0.00	77,200.00	0.00	320	2,809
June	224,180.00	282,950.00	0.00	99,400.00	0.00	308	2,635
July	208,660.00	294,990.00	0.00	126,000.00	0.00	303	2,524
August	230,559.00	157,600.00	0.00	9,450.00	0.00	240	1,832
September	217,800.00	232,550.00	0.00	19,100.00	0.00	241	1,838

October	288,550.00	257,090.00	0.00	26,775.00	0.00	300	2,566
November	165,790.00	189,420.00	0.00	25,200.00	0.00	302	2,607
December	249,940.00	223,255.00	0.00	23,300.00	0.00	309	2,603
Totals	2,812,259.00	2,652,665.00	0.00	532,395.00	0.00	\$3,447	28,750

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.

Naco Water Company, LLC
Annual Report
Well and Water Usage
12/31/21

[illegible]

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	1,353,768.00	893,024.00	73,200.00	0.00	0.00	\$941	3,573
February	1,623,051.00	1,126,218.00	52,770.00	0.00	0.00	931	3,678
March	1,421,600.00	926,238.00	0.00	0.00	0.00	736	3,120
April	1,819,278.00	1,415,663.00	0.00	0.00	0.00	887	3,465
May	1,589,496.00	1,354,984.00	77,200.00	0.00	0.00	1,053	3,865
June	1,804,702.00	1,324,376.00	99,400.00	0.00	0.00	1,038	4,149
July	1,887,784.00	1,393,685.00	126,000.00	0.00	0.00	1,062	4,132
August	1,304,051.00	1,010,734.00	9,450.00	0.00	0.00	830	2,988
September	1,779,818.00	1,212,157.00	19,100.00	0.00	0.00	935	3,386
October	1,685,151.00	1,377,714.00	26,775.00	0.00	0.00	947	3,241
November	1,316,414.00	1,076,143.00	25,200.00	0.00	0.00	786	3,154

December	1,345,546.00	990,267.00	23,300.00	0.00	0.00	798	3,054
Totals	18,930,659.00	14,101,203.00	532,395.00	0.00	0.00	\$10,943	41,805

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

[illegible]

CUSTOMER METERS

[illegible]

SERVICE LINES

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

BOOSTER PUMPS

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	25	2

FIRE HYDRANTS

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

STORAGE TANKS

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

PRESSURE/BLADDER TANKS

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	134
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	288	6%	41%
0.75	1	0%	100%
1	4	50%	75%
1.5	1	100%	100%
Compound 2	9	66%	100%
Compound 3	2	50%	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	140
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				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	54	0	1	0	0
February	55	0	1	0	0
March	55	0	1	0	0
April	54	0	1	0	0
May	53	0	1	0	0
June	53	0	1	0	0
July	53	0	1	0	0
August	53	0	1	0	0
September	53	0	1	0	0
October	54	0	1	0	0
November	54	0	1	0	0
December	54	0	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	243	0	21	0	0
February	243	0	23	0	0
March	243	0	23	0	0
April	244	0	23	0	0
May	245	0	23	0	0
June	240	0	23	0	0
July	243	0	23	0	0
August	243	0	23	0	0
September	240	0	23	0	0
October	241	0	22	0	0
November	239	0	22	0	0
December	238	0	21	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
 12/31/21

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	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):

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
 12/31/21

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	5	0
February	0	3	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	1	0
November	0	1	0
December	0	0	0
Total	0	10	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.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2021 was
--

\$14,652

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, CFO
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: 12/31/21

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.

BTE

signature of owner/official

623-935-1100
telephone no.

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

THIS

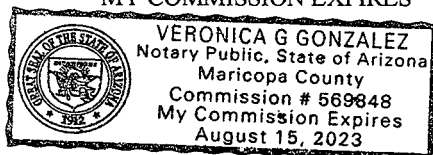
12th

DAY OF

Maricopa
(county name)

April 2022
(month) and (year)

MY COMMISSION EXPIRES



August 15, 2023
(date)

Veronica G. Gonzalez
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name):

Maricopa

Name (owner or official) title:

Bryan Thomas, CFO

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: 12/31/21

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 (\$)

\$286,287

(The amount in the box above includes

\$16,428

in sales taxes
billed or collected)

BTE

signature of owner/official

623-935-1100

telephone no.

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

Maricopa

(county name)

THIS

12th

DAY OF

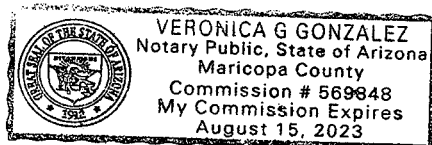
April 2022

(month) and (year)

MY COMMISSION EXPIRES

August 15, 2023

(date)



Veronica G. Gonzalez

(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): Maricopa
Name (owner or official) title: Bryan Thomas, CFO
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: 12/31/21

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 (\$)

\$246,805

(The amount in the box above includes

\$14,162 in sales taxes

billed or collected)

B. J. Thomas

signature of owner/official

623-935-1100

telephone no.

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

Maricopa

(county name)

THIS

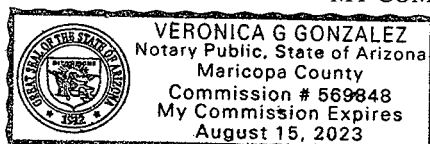
12th

DAY OF

April 2022
(month) and (year)

MY COMMISSION EXPIRES

August 15, 2023
(date)



Veronica G. Gonzalez
(signature of notary/public)

Naco Water Company, LLC
Annual Report
Gross-up Sharing Method for Income Tax Statement of Certification
12/31/21

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):

Maricopa

Name (owner or official) title:

Bryan Thomas, CFO

Company name:

Naco Water Company, LLC

FOR THE YEAR ENDING: 12/31/21

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.

Bry T

signature of owner/official

623-935-1100

telephone no.

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

Maricopa

(county name)

THIS

12th

DAY OF

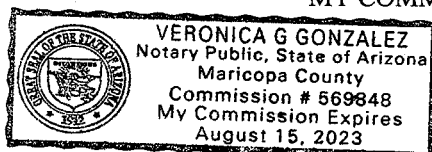
April 2022

(month) and (year)

MY COMMISSION EXPIRES

August 15, 2023

(date)



Veronica G. Gonzalez
(signature of notary public)