

ANNUAL REPORT

Of

Company Name:
PO Box 85160

Mailing Address: Tucson AZ
85754

Docket No.: W-02393A
For the Year Ended:

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:
Application Date:

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Chaparral Water Properties, Inc.
A Class Utility

For the Calendar Year Ended: 12/31/22

Primary Address:
City: State: Zip Code:

Telephone Number:

Date of Original Organization of Utility:

Person to whom correspondence should be addressed concerning this report:

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

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

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

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

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

Ownership:

Counties Served:

Important changes during the year
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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.
	NA

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.
	NA

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	17,000	0	0	17,000	0	17,000
304	Structures and Improvements	155,772	0	0	155,772	155,772	0
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	36,106	1,890	0	37,996	36,137	1,859
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	97,577	0	0	97,577	68,617	28,960
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	9,749	0	0	9,749	1,599	8,150
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	116,118	0	0	116,118	108,642	7,476
330.2	Pressure Tanks	16,753	0	0	16,753	5,445	11,308
331	Transmission and Distribution Mains	99,149	0	0	99,149	62,655	36,494
333	Services	97,912	33,271	0	131,183	54,520	76,663
334	Meters and Meter Installations	68,931	31	0	68,962	32,994	35,968
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	467	0	0	467	358	109
340.1	Computer & Software	12,079	0	0	12,079	12,079	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	1,460	0	0	1,460	183	1,277
344	Laboratory Equipment	6,550	0	0	6,550	6,550	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	59,646	0	0	59,646	20,877	38,769
	Totals	\$795,269	\$35,192	\$0	\$830,461	\$566,428	\$264,033

Chaparral Water Properties, Inc.
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	17,000	0	0	17,000	17,000	0	0.00%	0
304	Structures and Improvements	155,772	0	0	155,772	0	155,772	3.33%	1,294
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	36,106	1,890	0	37,996	36,106	1,890	3.33%	31
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	97,577	0	0	97,577	48,734	48,843	12.50%	6,105
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	9,749	0	0	9,749	749	9,000	3.33%	300
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	116,118	0	0	116,118	0	116,118	2.22%	2,578
330.2	Pressure Tanks	16,753	0	0	16,753	0	16,753	5.00%	838
331	Transmission and Distribution Mains	99,149	0	0	99,149	0	99,149	2.00%	1,983
333	Services	97,912	33,271	0	131,183	44,646	86,537	3.33%	2,328
334	Meters and Meter Installations	68,931	31	0	68,962	16,728	52,234	8.33%	4,350
335	Hydrants	0	0	0	0	0	0	2.00%	0
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	467	0	0	467	0	467	6.67%	31
340.1	Computer & Software	12,079	0	0	12,079	12,079	0	0.00%	0
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,460	0	0	1,460	0	1,460	5.00%	73
344	Laboratory Equipment	6,550	0	0	6,550	6,550	0	10.00%	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	59,646	0	0	59,646	0	59,646	10.00%	5,965
	Subtotal	\$795,269	\$35,192	\$0	\$830,461	\$182,592	\$647,869		\$25,875

Contribution(s) in Aid of Construction (Gross)	\$34,800
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$34,800
Times: Proposed Amortization Rate	10.00%
Amortization of CIAC	\$3,480

Less: Amortization of CIAC **\$3,480**

DEPRECIATION EXPENSE **\$22,395**

Chaparral Water Properties, Inc.
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		\$36,152	\$21,737
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		15,382	16,166
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		\$51,534	\$37,903
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$795,269	\$830,461
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(462,513)	(566,428)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$332,756	\$264,033
	Total Assets		\$384,290	\$301,936

*Note these items feed automatically from AR3 UPIS Page 4

Chaparral Water Properties, Inc.
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		(\$35)	\$3,519
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		15,710	15,575
236	Accrued Taxes		798	891
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		0	1,817
	Total Current Liabilities		\$16,473	\$21,802
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		9,851	10,235
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		34,800	34,800
272	Less: Amortization of Contributions		(8,700)	(12,180)
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$35,951	\$32,855
	Total Liabilities		\$52,424	\$54,657
	Capital Accounts			
201	Common Stock Issued		\$54,750	\$54,750
211	Other Paid-In Capital		62,493	59,120
215	Retained Earnings		136,584	133,409
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$253,827	\$247,279
	Total Liabilities and Capital		\$306,251	\$301,936

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

Chaparral Water Properties, Inc.
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	\$204,722	\$207,359
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	4,933	3,167
	Total Revenues	\$209,655	\$210,526
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	29,980	28,722
618	Chemicals	2,117	1,593
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	11,398	10,732
620.2	Office Supplies and Expense	6,786	5,794
630	Contractual Services	80,196	97,490
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	1,110	650
633	Contractual Services - Legal	2,385	411
634	Contractual Services - Management Fees	38,100	37,416
635	Contractual Services - Water Testing	1,318	1,184
636	Contractual Services - Other	448	0
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	100	0
657	Insurance - General Liability	3,228	3,269
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	0	2,125
675	Miscellaneous Expense	2,178	2,359
403	Depreciation Expense (From Schedule AR4)	22,395	22,835
408	Taxes Other Than Income	0	0
408.11	Property Taxes	10,988	4,395
409	Income Taxes	0	0
427.1	Customer Security Deposit Interest	231	382
	Total Operating Expenses	\$212,958	\$219,357
	Operating Income / (Loss)	(\$3,303)	(\$8,831)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	130	138
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$130	\$138
	Net Income / (Loss)	(\$3,173)	(\$8,693)

Chaparral Water Properties, Inc.
 Annual Report
 Full time equivalent employees
 12/31/22

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.5	0.0	0.0	0.5
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.0	0.5	0.5
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	0.0	0.0	1.0	1.0
Meter reader	0.0	0.0	0.3	0.3
Customer Service	0.0	0.0	0.1	0.1
Accounting	0.0	0.0	0.0	0.0
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	0.5	0.0	1.9	2.4

Chaparral Water Properties, Inc.
 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	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:	\$10,235
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Meter Deposits Refunded During the Test Year:	\$217
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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: CHAPARRAL WATER COMPANY											
ADEQ Public Water System Number: AZ0407064											
ADWR PCC Number: 91-000204.0000											
Well registry 55# (55-XXXXXX)	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Pump Motor Type **	Year Drilled	Water level 2012	Water level 2022	Meter Size (inches)	How measured:	Active
55-619217 WELL 1	15	90	650	8	SUBMERSIBLE	1980	427	445	3	Metered	Yes
55-619218 WELL 2	15	90	825	8	SUBMERSIBLE	1971	301	350	3	Metered	Yes
55-619219WELL3	15	50	557	8	SUBMERSIBLE	1978	335	350	3	Metered	Yes
55-558536WELL 4	25	100	710	12	SUBMERSIBLE	1996	420	450	3	Metered	Yes
55-54853	0	0	0	0	NA	1995	0	0	0	N/A	No

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

Name of system water received from: _____
 ADWR PCC Number: _____ NA
 Source of water received: NA
 Well registry 55# (55-XXXXXX): NA

Month	Water withdrawn (gallons) ¹	Water sold (gallons) ²	Water delivered (sold) to other systems (gallons) ³	Water received (purchased) from other systems (gallons) ⁴	Estimated authorized use (gallons) ⁵	Purchased Power Expense ⁶	Purchased Power (kWh) ⁷
January	2,959,966.00	2,464,549.00	0.00	0.00	0.00	\$1,671	9,848
February	3,573,269.00	2,854,005.00	0.00	0.00	0.00	1,729	9,841
March	3,980,400.00	2,539,777.00	0.00	0.00	0.00	1,931	11,877
April	4,850,763.00	38,400,383.00	0.00	0.00	0.00	2,220	17,101
May	3,919,137.00	3,402,344.00	0.00	0.00	0.00	2,697	20,716
June	4,916,350.00	4,831,585.00	0.00	0.00	0.00	3,623	24,498
July	4,907,000.00	5,947,322.00	0.00	0.00	0.00	2,506	19,651
August	3,076,300.00	3,608,544.00	0.00	0.00	220,000.00	3,017	22,499
September	3,803,200.00	4,094,583.00	0.00	0.00	0.00	2,835	21,711
October	5,439,700.00	4,725,783.00	0.00	0.00	0.00	2,629	20,958
November	2,179,900.00	2,227,065.00	0.00	0.00	0.00	2,125	16,583
December	2,640,213.00	2,576,583.00	0.00	0.00	0.00	2,307	11,701
Totals	46,246,198.00	77,672,523.00	0.00	0.00	220,000.00	\$29,190	206,984

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

1 Water withdrawn - Total gallons of water withdrawn from pumped sources
 2 Water sold - Total gallons from customer meters, and other sales such as construction water
 3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems
 4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems
 5 Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.
 6 Enter the total purchased power costs for the power meters associated with this system.
 7 Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description (Continued)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	CHLORINATOR EQUIPMENT AT ALL THREE WELL SITES
STRUCTURES:	8X12 FOOT METAL STORAGE SHED
OTHER:	NA

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by
- (b) If no historical flow data are available, use:
 $ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$

ERC

611

 Method used:

(a)

Customer and Other Information	
Name of the System:	CHAPARRAL WATER COMPANY
ADEQ Public Water System Number:	AZ0407064
ADWR PCC Number:	91-000204.0000

Month	Number of Customers				Other Non-Residential
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	
January	346	0	0	0	0
February	346	0	0	0	0
March	344	0	0	0	0
April	346	0	0	0	0
May	344	0	0	0	0
June	348	0	0	0	0
July	349	0	0	0	0
August	350	0	0	0	0
September	351	0	0	0	0
October	351	0	0	0	0
November	351	0	0	0	0
December	347	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.

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

Chaparral Water Properties, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/22

Utility Shutoffs / Disconnects	
Name of the System:	CHAPARRAL WATER COMPANY
ADEQ Public Water System Number:	AZ0407064
ADWR PCC Number:	91-000204.0000

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	0	0
April	0	6	0
May	0	15	0
June	0	7	0
July	0	4	0
August	0	0	0
September	0	13	0
October	0	12	0
November	0	16	0
December	0	0	0
Total	0	80	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.

Chaparral Water Properties, Inc.
Annual Report
Property Taxes
12/31/22

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2022 was	\$10,988

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): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Chaparral Water Properties, Inc.

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 CURRENT AND PAID IN FULL.

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

[Handwritten Signature]
signature of owner/official

520-265-5350
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Cochise County
(county name)
THIS 29 DAY OF June 2023
(month) and (year)

MY COMMISSION EXPIRES 10-17-23
(date)



[Handwritten Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Chaparral Water Properties, Inc.

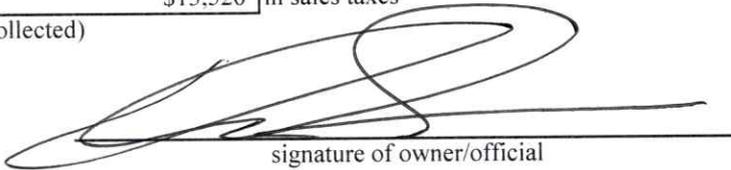
DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

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:

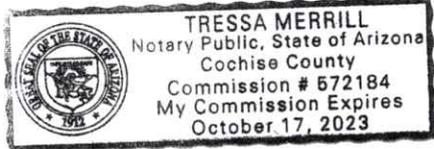
Arizona Intrastate Gross Operating Revenues Only (\$)
\$209,655
(The amount in the box above includes
\$13,526 in sales taxes
billed or collected)

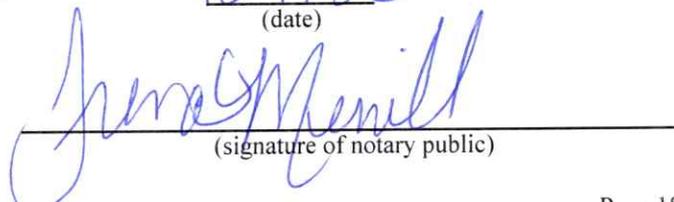

signature of owner/official

520-265-5350
telephone no.

SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Cochise
(county name)
THIS 29 DAY OF June 2023
(month) and (year)

MY COMMISSION EXPIRES 10-17-23
(date)




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): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Chaparral Water Properties, Inc.

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:

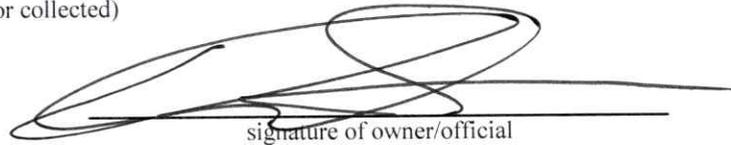
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING THE CALENDAR YEAR WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$209,655

(The amount in the box above includes

\$13,526 in sales taxes
billed or collected)


signature of owner/official

520-265-5350
telephone no.

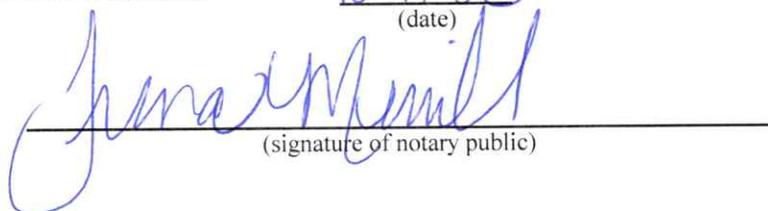
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY Cochise
(county name)

THIS 29 DAY OF June 2023
(month) and (year)



MY COMMISSION EXPIRES

10-17-23
(date)


(signature of notary public)

Full Gross-up Method for Income Tax Statement of Certification

Verification:

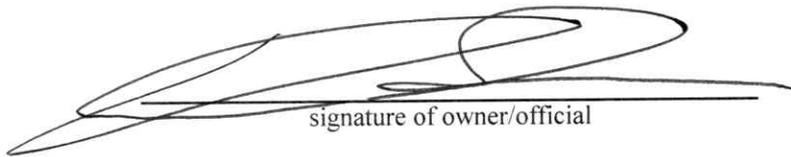
State of ARIZONA I, the undersigned of the
(state name)

County of (county name): COCHISE
Name (owner or official) title: DUSTIN DESPAIN, ACCOUNTANT
Company name: Chaparral Water Properties, Inc.

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.


signature of owner/official

520-265-5350
telephone no.

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

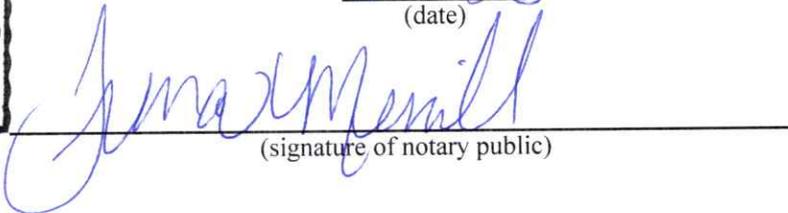
(county name)

THIS 29 DAY OF June 2023
(month) and (year)

MY COMMISSION EXPIRES

10-17-23
(date)




(signature of notary public)