

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

<p>W-03948A</p> <p>Empirita Water Company. LLC 2850 E. Skyline Dr., Ste. 100 Tucson, AZ 85718</p>	<p>RECEIVED</p> <p>MAR 26 2010</p> <p>ARIZONA CORP COMMISSION UTILITIES DIVISION</p>
---	--

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2009
-----------	-----------	-------------

FOR COMMISSION USE

ANN 04	09
---------------	-----------

3-26-10

COMPANY INFORMATION

Company Name (Business Name) <u>Empirita Water Company, LLC</u>			
Mailing Address <u>2850 E. Skyline Dr., STE 100</u>			
<small>(Street)</small> <u>Tucson</u>		<u>AZ</u>	<u>85715</u>
<small>(City)</small>		<small>(State)</small>	<small>(Zip)</small>
<u>1-520-544-5610</u>			
<small>Telephone No. (Include Area Code)</small>		<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>
Email Address _____			
Local Office Mailing Address <u>Same</u>			
<small>(Street)</small>			
<small>(City)</small>		<small>(State)</small>	<small>(Zip)</small>
<small>Local Office Telephone No. (Include Area Code)</small>		<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>
Email Address _____			

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact: <u>James Vermilyea</u>			
<input checked="" type="checkbox"/> Management Contact: <u>James Vermilyea</u> <u>Member</u>			
<small>(Name)</small>		<small>(Title)</small>	
<u>Same as above</u>			
<small>(Street)</small>		<small>(City)</small>	<small>(State)</small> <small>(Zip)</small>
<small>Telephone No. (Include Area Code)</small>		<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>
Email Address _____			
On Site Manager: <u>DMD Water Servoces</u>			
<small>(Name)</small>			
<u>14092 E. Placita Mochuelo</u>		<u>Vail</u>	<u>AZ</u> <u>85641</u>
<small>(Street)</small>		<small>(City)</small>	<small>(State)</small> <small>(Zip)</small>
<u>520-647-7205</u>			
<small>Telephone No. (Include Area Code)</small>		<small>Fax No. (Include Area Code)</small>	<small>Cell No. (Include Area Code)</small>
Email Address <u>dmdwaterservices@gainbroadband.com</u>			

Statutory Agent: Same as above
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Lawrence Robertson, Jr.
(Name)

323 N. Wilmot, Suite 300

Tucson

AZ

85715

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

Sole Proprietor (S)

C Corporation (C) (Other than Association/Co-op)

Partnership (P)

Subchapter S Corporation (Z)

Bankruptcy (B)

Association/Co-op (A)

Receivership (R)

Limited Liability Company

Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

APACHE

COCHISE

COCONINO

GILA

GRAHAM

GREENLEE

LA PAZ

MARICOPA

MOHAVE

NAVAJO

PIMA

PINAL

SANTA CRUZ

YAVAPAI

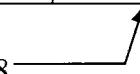
YUMA

STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	15,000	4,500	10,500
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	29,888	4,216	25,672
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	198,933	29,583	169,350
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	11,498	4,107	7,391
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	2,000	1,100	900
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	1,413	491	922
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	258,732	43,997	214,735

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	15,000	6.67	1,000
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	29,888	1.69	504
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	198,933	4.40	8,752
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	11,498	14.29	1,643
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	2,000	20	400
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	1,413	14.30	202
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	258,732		12,501

This amount goes on the Comparative Statement of Income and Expense Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$448	\$ 845
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	167	(69)
146	Notes/Receivables from Associated Companies		210
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 615	\$ 986
	FIXED ASSETS		
101	Utility Plant in Service	\$258,732	\$ 258,732
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(31,496)	(43,997)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 227,236	\$ 214,735
	TOTAL ASSETS	\$ 227,851	\$ 215,721

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 816	\$ 3,092
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	147,136	148,612
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	152	192
	TOTAL CURRENT LIABILITIES	\$ 148,104	\$ 151,896
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	7,749	6,765
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 7,749	\$ 6,765
	TOTAL LIABILITIES	\$ 155,853	\$ 158,661
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	71,998	57,060
	TOTAL CAPITAL	\$ 71,998	\$ 57,060
	TOTAL LIABILITIES AND CAPITAL	\$ 227,851	\$ 215,721

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 16,193	\$ 17,588
460	Unmetered Water Revenue	282	680
474	Other Water Revenues	513	240
	TOTAL REVENUES	\$ 16,988	\$ 18,508
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	5,056	2,715
618	Chemicals		
620	Repairs and Maintenance	641	1,127
621	Office Supplies and Expense	258	
630	Outside Services	15,967	12,330
635	Water Testing		
641	Rents		
650	Transportation Expenses		2,180
657	Insurance – General Liability		1,657
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		35
403	Depreciation Expense	12,426	12,501
408	Taxes Other Than Income		
408.11	Property Taxes	847	415
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 35,195	\$ 32,960
	OPERATING INCOME/(LOSS)	\$ (18,207)	\$ (14,452)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		(374)
427	Interest Expense	(114)	(111)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (114)	\$ (485)
	NET INCOME/(LOSS)	\$ (18,321)	\$ (14,937)

COMPANY NAME Empirita Water Company, Inc.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	NONE			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 6,765

Meter Deposits Refunded During the Test Year \$

COMPANY NAME Empirita Water Company, Inc.
 Name of System: ADEQ Public Water System Number: 02-122

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-579078	10 HP	25 GPM	445'	4.5	1 1/2	2,000
55-580933	10 HP	30 GPM	425'	4.5	1 1/2	2,000

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
GRUNDFOS 3 HP.	2	NONE	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	1	5,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Empirita Water Company, Inc.

Name of System:

ADEQ Public Water System Number:

02-122

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	3,175
5		
6	PVC	6,250
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	2.9
3/4	x
1	x
1 1/2	x
2	x
Comp. 3	x
Turbo 3	x
Comp. 4	x
Turbo 4	x
Comp. 6	x
Turbo 6	x

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT: NONE

STRUCTURES: 1 50,000 GAL. STORAGE TANK
 1 5,000 GAL. HYDRO NEDMATE TANK

OTHER: 2 wells

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Empirita Water Company, Inc.
 Name of System: ADEQ Public Water System Number: 02-122

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	29	98,742	101,654	N/A
FEBRUARY	↓	94,377	96,477	↓
MARCH		129,254	130,570	
APRIL		208,670	212,655	
MAY		227,064	231,101	
JUNE		205,385	208,375	
JULY		216,197	218,173	
AUGUST		206,940	209,654	
SEPTEMBER		189,373	193,710	
OCTOBER		242,781	250,871	
NOVEMBER		155,450	158,470	
DECEMBER		158,649	162,750	
TOTALS →		2,132,892	2,174,460	

What is the level of arsenic for each well on your system? N/A mg/l
 (If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ___ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
 Yes No (NO CHLORINATION)

Is the Water Utility located in an ADWR Active Management Area (AMA)?
 Yes No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
 Yes No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Empirita Water Company, Inc.

Name of System:

ADEQ Public Water System Number:

02-122

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	NONE		
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTALS →			

OTHER (description):

COMPANY NAME Empirita Water Company, Inc.

YEAR ENDING **12/31/2009**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2009 was: \$ 415

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

MAR 15 2010

PIMA CO. COMM
Director, Utilities

VERIFICATION

STATE OF Arizona

**I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME) Cochise
NAME (OWNER OR OFFICIAL) TITLE James Vermilyea, Member
COMPANY NAME Empirita Water Company, Inc.

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

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.



James Vermilyea

SIGNATURE OF OWNER OR OFFICIAL

520 - 490 - 1218

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

25

DAY OF

COUNTY NAME <u>Pima</u>	
MONTH <u>March</u>	<u>2010</u>

(SEAL)

Michele L. Wilson

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 3/19/2013

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
MAR 26 2010
AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Cochise
NAME (OWNER OR OFFICIAL) TITLE James Vermilyea
COMPANY NAME Empirita Water Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

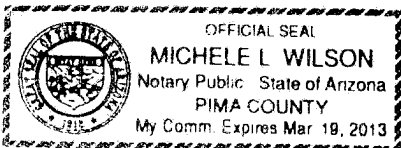
MONTH	DAY	YEAR
12	31	2009

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 REQUIREMENT 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 CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>19,644</u>



**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 1,136
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

James Vermilyea
SIGNATURE OF OWNER OR OFFICIAL
520 490 1218
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 24 DAY OF

COUNTY NAME	<u>Pima</u>
MONTH	<u>March</u> <u>2010</u>

(SEAL)

Michele L. Wilson
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 3/19/2013

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED
MAR 26 2010
ALDORE COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Cochise	
NAME (OWNER OR OFFICIAL) James Vermilyea	TITLE Member
COMPANY NAME Empirita Water Company, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

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.

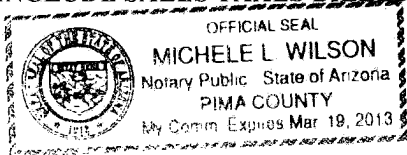
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, 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 CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>19,644</u>

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1,136
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**



James Vermilyea
SIGNATURE OF OWNER OR OFFICIAL
520 490 1218
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

<u>24</u>

DAY OF

NOTARY PUBLIC NAME <u>Michele L. Wilson</u>	
COUNTY NAME <u>Pima</u>	
MONTH <u>March</u>	<u>2010</u>

(SEAL)

MY COMMISSION EXPIRES

3/19/2013

Michele L. Wilson
SIGNATURE OF NOTARY PUBLIC