ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01380A

Ray Water Company
414 North Court Ave.
Tucson, AZ 85701

RECEIVED

ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010

FOR COMMISSION USE

ANN 04	10

3-31-11

COMPANY INFORMATION

Company Name (Business Name) Ray Water Company

Mailing Address 414 N. Court Avenue
(Street)

Tucson (City) AZ (State) 85701 (Zip)

520-623-1332 Telephone No. (Include Area Code) 520-623-2302 Fax No. (Include Area Code) 520-401-7717 Cell No. (Include Area Code)

Email Address raywaterco@aol.com

Local Office Mailing Address 414 N. Court Avenue
(Street)

Tucson (City) AZ (State) 85701 (Zip)

520-623-1332 Local Office Telephone No. (Include Area Code) 520-623-2302 Fax No. (Include Area Code) 520-401-7717 Cell No. (Include Area Code)

Email Address raywaterco@aol.com

MANAGEMENT INFORMATION

☐ **Regulatory Contact:**

☒ **Management Contact:** Rhonda Mallis Rosenbaum (Name) General Manager (Title)

414 N. Court Avenue (Street) Tucson (City) AZ (State) 85701 (Zip)

520-623-1332 Telephone No. (Include Area Code) 520-623-2302 Fax No. (Include Area Code) 520-401-7717 Cell No. (Include Area Code)

Email Address raywaterco@aol.com

On Site Manager: Rhonda Mallis Rosenbaum
(Name)

414 N. Court Avenue (Street) Tucson (City) AZ (State) 85701 (Zip)

520-623-1332 Telephone No. (Include Area Code) 520-623-2302 Fax No. (Include Area Code) 520-401-7717 Cell No. (Include Area Code)

Email Address raywaterco@aol.com

See Accountant's Compilation Report.

Statutory Agent: Rhonda Mallis Rosenbaum
(Name)

414 N. Court Avenue	Tucson	AZ	85701
(Street)	(City)	(State)	(Zip)

520-623-1332	520-623-2302	520-401-7717
Telephone No. (Include Area Code)	Fax No. (Include Area Code	Cell No. (Include Area Code)

Attorney: Rhonda Mallis Rosenbaum
(Name)

414 N. Court Avenue	Tucson	AZ	85701
(Street)	(City)	(State)	(Zip)

520-623-1332	520-623-2302	520-401-7717
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)

Email Address raywaterco@aol.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- ☐ **Sole Proprietor (S)**
- ☐ **Partnership (P)**
- ☐ **Bankruptcy (B)**
- ☐ **Receivership (R)**
- ☐ **Other** (Describe)_____
- ☒ **C Corporation (C) (Other than Association/Co-op)**
- ☐ **Subchapter S Corporation (Z)**
- ☐ **Association/Co-op (A)**
- ☐ **Limited Liability Company**

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**		

See Accountant's Compilation Report.

SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

M. J. SEBY, Ret.
DOUGLAS W. LUBBEN, CPA
RICHARD G. BABBITT, CPA
GLENN E. FYDRYCH, CPA

NATIONAL BANK PLAZA
335 N. WILMOT, #400
TUCSON, ARIZONA 85711
TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

Independent Accountant's Compilation Report

Ray Water Company
414 North Court Ave.
Tucson, AZ 85701

We have compiled the annual report to the Arizona Corporation Commission, Utilities Division, Compliance Section for the year ended December 31, 2010 for Ray Water Company included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements included in the annual report referred to above and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Arizona Corporation Commission, Utilities Division, Compliance Section.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with requirements prescribed by the Arizona Corporation Commission, Utilities Division, Compliance Section and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, Compliance Section, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Arizona Corporation Commission, Utilities Division, Compliance Section, and is not intended to be and should not be used by anyone other than this specified party.

Respectfully submitted,

Seby & Associates, Ltd.

SEBY & ASSOCIATES, LTD.
Certified Public Accountants

March 14, 2011

COMPANY NAME	Ray Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A	N/A	N/A
302	Franchises	700	-0-	700
303	Land and Land Rights	62,540	-0-	62,540
304	Structures and Improvements	13,781	12,926	855
307	Wells and Springs	1,401,600	333,791	1,067,809
311	Pumping Equipment	712,466	140,554	571,912
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	623,334	200,513	422,821
331	Transmission and Distribution Mains	1,139,554	603,491	536,063
333	Services	526,281	178,149	348,132
334	Meters and Meter Installations	112,671	79,696	32,975
335	Hydrants	105,490	51,334	54,156
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	5,789	3,010	2,779
340	Office Furniture and Equipment	17,868	4,700	13,168
341	Transportation Equipment	72,235	14,565	57,670
343	Tools, Shop and Garage Equipment	671	665	6
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	694	-0-
347	Miscellaneous Equipment	1,253	1,253	-0-
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	4,796,927	1,625,341	3,171,586

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

See Accountant's Compilation Report.

COMPANY NAME	Ray Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	N/A	N/A	N/A
302	Franchises	700	N/A	N/A
303	Land and Land Rights	62,540	N/A	N/A
304	Structures and Improvements	13,781	5%	437
307	Wells and Springs	1,401,600	5%	63,671
311	Pumping Equipment	712,466	5%	33,912
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	623,334	5%	27,590
331	Transmission and Distribution Mains	1,139,554	5%	41,950
333	Services	526,281	5%	25,273
334	Meters and Meter Installations	112,671	5%	2,016
335	Hydrants	105,490	5%	4,862
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	5,789	5%	289
340	Office Furniture and Equipment	17,868	5%	758
341	Transportation Equipment	72,235	5%	3,612
343	Tools, Shop and Garage Equipment	671	5%	14
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	5%	17
347	Miscellaneous Equipment	1,253	5%	31
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	4,796,927		204,432

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

Less amortization of contributions in aid of construction	(48,022)
Net Depreciation	156,410

See Accountant's Compilation Report.

COMPANY NAME	Ray Water Company

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	$ 82,903	$ 131,380
134	Working Funds	N/A	N/A
135	Temporary Cash Investments	286,388	141,617
141	Customer Accounts Receivable	24,336	39,590
146	Notes/Receivables from Associated Companies	N/A	N/A
151	Plant Material and Supplies	N/A	N/A
162	Prepayments	10,817	6,455
174	Miscellaneous Current and Accrued Assets	28,373	58,528
	TOTAL CURRENT AND ACCRUED ASSETS	$ 432,817	$ 377,570
	FIXED ASSETS		
101	Utility Plant in Service	$ 4,720,689	$ 4,796,927
103	Property Held for Future Use	N/A	N/A
105	Construction Work in Progress	26,528	160,604
108	Accumulated Depreciation – Utility Plant	1,420,909	1,625,341
121	Non-Utility Property	N/A	N/A
122	Accumulated Depreciation – Non Utility	N/A	N/A
	TOTAL FIXED ASSETS	$ 3,326,308	$ 3,332,190
	TOTAL ASSETS	**$** 3,759,125	**$** 3,709,760

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

See Accountant's Compilation Report.

COMPANY NAME	Ray Water Company

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	$ -0-	$ -0-
232	Notes Payable (Current Portion)	-0-	-0-
234	Notes/Accounts Payable to Associated Companies	-0-	-0-
235	Customer Deposits	94,600	100,516
236	Accrued Taxes	25,565	23,608
237	Accrued Interest	-0-	-0-
241	Miscellaneous Current and Accrued Liabilities	4,585	9,064
	TOTAL CURRENT LIABILITIES	$ 124,750	$ 133,188
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	$ -0-	$ -0-
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	$ -0-	$ -0-
252	Advances in Aid of Construction	1,659,466	1,651,628
255	Accumulated Deferred Investment Tax Credits	959	553
271	Contributions in Aid of Construction	957,335	982,352
272	Less: Amortization of Contributions	(164,387)	(212,410)
281	Accumulated Deferred Income Tax	-0-	-0-
	TOTAL DEFERRED CREDITS	$ 2,453,373	$ 2,422,123
	TOTAL LIABILITIES	$ 2,578,123	$ 2,555,311
	CAPITAL ACCOUNTS		
201	Common Stock Issued	$ 16,000	$ 16,000
211	Paid in Capital in Excess of Par Value	41,333	41,333
215	Retained Earnings	1,123,669	1,097,116
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	$ 1,181,002	$ 1,154,449
	TOTAL LIABILITIES AND CAPITAL	$ 3,759,125	$ 3,709,760

See Accountant's Compilation Report.

COMPANY NAME	Ray Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	$ 592,308	$ 579,956
460	Unmetered Water Revenue	-0-	-0-
474	Other Water Revenues	42,864	19,186
	TOTAL REVENUES	$ 635,172	$ 599,142
	OPERATING EXPENSES		
601	Salaries and Wages	$ 229,174	$ 226,621
610	Purchased Water	-0-	-0-
615	Purchased Power	89,421	88,843
618	Chemicals	-0-	-0-
620	Repairs and Maintenance	1,869	3,522
621	Office Supplies and Expense	17,318	15,126
630	Outside Services	39,407	38,055
~~635~~ 604	~~Water Testing~~ Employee Pension & Benefit - SEP	4,585	9,064
641	Rents	22,000	22,000
650	Transportation Expenses	9,465	9,120
657	Insurance – General Liability	12,290	10,572
659	Insurance - Health and Life	6,692	6,876
666	Regulatory Commission Expense – Rate Case	-0-	-0-
675	Miscellaneous Expense	24,879	20,987
403	Depreciation Expense	135,116	156,411
408	Taxes Other Than Income	18,281	17,991
408.11	Property Taxes	35,705	33,202
409	Income Tax	1,556	(31,936)
	TOTAL OPERATING EXPENSES	$ 647,758	$ 626,454
	OPERATING INCOME/(LOSS)	$ (12,586)	$ (27,312)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	$ 2,200	$ 2,252
421	Non-Utility Income	(3,200)	-0-
426	Miscellaneous Non-Utility Expenses	(250)	(1,097)
427	Interest Expense	(369)	(396)
	TOTAL OTHER INCOME/(EXPENSE)	$ (1,619)	$ 759
	NET INCOME/(LOSS)	**$ (14,205)**	**$ (26,553)**

See Accountant's Compilation Report.

COMPANY NAME	Ray Water Company

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
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 $ 9,088

Meter Deposits Refunded During the Test Year $ 830

See Accountant's Compilation Report.

COMPANY NAME	Ray Water Company		
Name of System:	Ray Water	ADEQ Public Water System Number:	10-095

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-609464	40	250	458	12"	6" FM	1969
55-609465	15	125	425	12"	6" FM	1973
55-609466	15	75	331	8"	4" FM	1963
55-800420	60	325	612	12"	6" FM	1983
55-212103	75	325	600	14"	6" FM	2007
55-214966	75	400	615	14"	6" FM	2007
55-219154	Not Yet Equipped	Net Yet Equipped	680	12"	Not Yet Equipped	2010

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	1	70	N/A
20	1		
15	2		
30	5		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	3	5,000	2
90,000	1	3,000	1
250,000 285,000	1 1		

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

See Accountant's Compilation Report.

COMPANY NAME	Ray Water Company		
Name of System:	Ray Water	ADEQ Public Water System Number:	10-095

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	N/A	N/A
3	AC	9,730
4	AC	29,900
5	N/A	N/A
6	AC	25,643
8	C 900 & AC	960 & 4,410
10	N/A	N/A
12	C 900	240
4	PVC 900	735
6	PVC 900	17,549
8	PVC 900	20,779
6	DIP	280
12	DIP	615

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X ¾	1,509
3/4	N/A
1	30
1 1/2	3
2	12
Comp. 3	1
Turbo 3	1
Comp. 4	3
Turbo 4	1
Comp. 6	1
Turbo 6	N/A

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

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

Cyclone/razor wire fencing around all six well sites.

50 sq. ft. storage building at well #4.

OTHER:

Office furniture and equipment, computers.

Miscellaneous field equipment.

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

See Accountant's Compilation Report.

COMPANY NAME:	Ray Water Company		
Name of System:	Ray Water	ADEQ Public Water System Number:	10-095

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1,519	18,217	15,203	0
FEBRUARY	1,522	12,506	13,599	0
MARCH	1,519	11,956	18,356	0
APRIL	1,523	18,697	18,040	0
MAY	1,523	17,572	21,526	0
JUNE	1,523	20,429	27,580	0
JULY	1,524	30,167	28,773	0
AUGUST	1,523	19,439	20,208	0
SEPTEMBER	1,524	22,137	21,757	0
OCTOBER	1,525	18,646	18,771	0
NOVEMBER	1,524	16,555	18,328	0
DECEMBER	1,519	26,806	15,437	0
	TOTALS →	233,127	237,578	0

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

If system has fire hydrants, what is the fire flow requirement? ____GPM for ____hrs N/A

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

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

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

If yes, provide the GPCPD amount: 121 GPC PD

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

Point of Entry	Level*
#1	.0032 mg/1
#2	.0047 mg/1
#3	.0030 mg/1
#4	.0020 mg/1
#5	.0010 mg/1

See Accountant's Compilation Report.

COMPANY NAME:	Ray Water Company		
Name of System:	Ray Water	ADEQ Public Water System Number:	10-095

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		-0-	35	-0-
FEBRUARY		-0-	33	-0-
MARCH		-0-	26	-0-
APRIL		-0-	21	-0-
MAY		-0-	34	-0-
JUNE		-0-	36	-0-
JULY		-0-	41	-0-
AUGUST		-0-	29	-0-
SEPTEMBER		-0-	21	-0-
OCTOBER		-0-	11	-0-
NOVEMBER		-0-	47	-0-
DECEMBER		-0-	48	-0-
TOTALS →		-0-	382	-0-

OTHER (description):

See Accountant's Compilation Report.

COMPANY NAME Ray Water Company **YEAR ENDING 12/31/2010**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: $ 34,534.85

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.

17,766.83	Paid 4-27-10
16,768.02	Paid 10-22-10
34,534.85	Property taxes paid during 2010 (See attached payment receipts.)

See Accountant's Compilation Report.

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima
NAME (OWNER OR OFFICIAL) TITLE Dorleen Mallis, President
COMPANY NAME Ray Water Company

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	2010

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.

x Dorlee Mallis
SIGNATURE OF OWNER OR OFFICIAL

520-623-1332
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28th **DAY OF** March 2011

COUNTY NAME Pima	
MONTH March	20 11

(SEAL)

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 9-26 2011

Eileen Prieto
NOTARY PUBLIC -- ARIZONA
PIMA COUNTY
My Commission Expires
September 26, 2011

See Accountant's Compilation Report

COMPANY NAME Ray Water Company **YEAR ENDING 12/31/2010**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	-0-
Estimated or Actual Federal Tax Liability	-0-
State Taxable Income Reported	(12,619)
Estimated or Actual State Tax Liability	45

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	None
Amount of Gross-Up Tax Collected	None
Total Grossed-Up Contributions/Advances	None

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

x Dorleen Mallis
SIGNATURE

x 3/29/11
DATE

Dorleen Mallis
PRINTED NAME

President
TITLE

See Accountant's Compilation Report.

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

RECEIVED
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Dorleen Mallis, President
COMPANY NAME	Ray Water Company

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

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 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only ($)
$ 650,090

(THE AMOUNT IN BOX ABOVE INCLUDES $ 50,948 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)**

x Dorleen Mallis
SIGNATURE OF OWNER OR OFFICIAL

520-623-1332
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF Pima

THIS 25th **DAY OF** March 2011

(SEAL)

MY COMMISSION EXPIRES 9-26-2011

SIGNATURE OF NOTARY PUBLIC

Eileen Prieto
NOTARY PUBLIC -- ARIZONA
PIMA COUNTY
My Commission Expires
September 26, 2011

See Accountant's Compilation Report

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Dorleen Mallis	TITLE President
COMPANY NAME Ray Water Company	

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

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

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 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

$ 542,663

THE AMOUNT IN BOX AT LEFT INCLUDES $ 43,822 IN SALES TAXES BILLED, OR COLLECTED)

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

X Dorleen Mallis
SIGNATURE OF OWNER OR OFFICIAL

520-623-1332
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28th **DAY OF**

(SEAL)

Eileen Prieto
NOTARY PUBLIC -- ARIZONA
PIMA COUNTY
My Commission Expires
September 26, 2011

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME Eileen Prieto	
COUNTY NAME Pima	
MONTH March	2011

SIGNATURE OF NOTARY PUBLIC

See Accountant's Compilation Report.