

ANNUAL REPORT

Of

Company Name: **Saddlebrooke Utility Company**
9532 E. Riggs Rd.

Mailing Address: Sun Lakes AZ
85248

Docket No.: **SW-02849A**
For the Year Ended: **12/31/20**

RECEIVED BY EMAIL
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WASTEWATER 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: **Original Filing**
Application Date: **4/21/2021**

ARIZONA CORPORATION COMMISSION
 WASTEWATER UTILITY ANNUAL REPORT
 Saddlebrooke Utility Company
 A Class Utility

For the Calendar Year Ended: 12/31/20

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:

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Saddlebrooke Utility Company

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

Saddlebrooke Utility Company
 Annual Report
 Utility Plant in Service (Wastewater)
 12/31/20

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
351	Organization	\$21,369	\$0	\$0	\$21,369	\$0	\$21,369
352	Franchises	0	0	0	0	0	0
353	Land and Land Rights	125,000	0	0	125,000	0	125,000
354	Structures and Improvements	114,920	4,138	0	119,058	53,512	65,546
355	Power Generation Equipment	697	23,443	0	24,140	152	23,988
360	Collections Wastewater - Force	0	0	0	0	0	0
361	Collections Wastewater - Gravity	7,021,682	109,408	0	7,131,090	5,282,350	1,848,741
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	1,594,707	0	0	1,594,707	1,088,756	505,951
364	Flow Measuring Devices	0	0	0	0	0	0
365	Flow Measuring Installations	0	0	0	0	0	0
366	Reuse Services	0	0	0	0	0	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0
370	Receiving Wells	609,870	0	0	609,870	469,809	140,061
371	Pumping Equipment	1,172,417	304,180	79,265	1,397,332	625,234	772,098
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	384,473	89,790	0	474,263	43,873	430,390
380	Treatment and Disposal Equipment	6,740,639	333,350	146,516	6,927,472	5,212,764	1,714,706
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	705,629	0	0	705,629	315,677	389,952
389	Other Plant and Misc. Equipment	260,636	643,459	0	904,095	39,091	865,003
390	Office Furniture and Equipment	7,230	0	0	7,230	1,416	5,814
390.1	Computer & Software	10,694	7,786	0	18,480	2,543	15,938
391	Transportation Equipment	118,624	0	1,575	117,049	(14,547)	131,596
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	3,529	0	0	3,529	573	2,956
394	Laboratory Equipment	0	0	0	0	0	0
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	16,246	109,158	31,431	93,973	(14,847)	108,820
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$18,908,362	\$1,624,712	\$258,788	\$20,274,287	\$13,106,356	\$7,167,928

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.

Saddlebrooke Utility Company
 Annual Report
 Depreciation Expense for the Current Year (Wastewater)
 12/31/20

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$21,369	\$0	\$0	\$21,369	\$21,369	0.00%	\$0
352	Franchises	0	0	0	0	0	0.00%	0
353	Land and Land Rights	125,000	0	0	125,000	125,000	0.00%	0
354	Structures and Improvements	114,920	4,138	0	119,058	0	3.31%	3,944
355	Power Generation Equipment	697	23,443	0	24,140	0	0.44%	106
360	Collections Wastewater - Force	0	0	0	0	0	0.00%	0
361	Collections Wastewater - Gravity	7,021,682	109,408	0	7,131,090	0	3.49%	248,626
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	1,594,707	0	0	1,594,707	0	3.77%	60,105
364	Flow Measuring Devices	0	0	0	0	0	0.00%	0
365	Flow Measuring Installations	0	0	0	0	0	0.00%	0
366	Reuse Services	0	0	0	0	0	0.00%	0
367	Reuse Meters & Meter Installations	0	0	0	0	0	0.00%	0
370	Receiving Wells	609,870	0	0	609,870	0	3.92%	23,886
371	Pumping Equipment	1,172,417	304,180	79,265	1,397,332	0	3.26%	45,563
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	384,473	89,790	0	474,263	0	3.31%	15,678
380	Treatment and Disposal Equipment	6,740,639	333,350	146,516	6,927,472	0	3.87%	267,959
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	705,629	0	0	705,629	0	3.94%	27,798
389	Other Plant and Misc. Equipment	260,636	643,459	0	904,095	0	1.30%	11,714
390	Office Furniture and Equipment	7,230	0	0	7,230	0	4.00%	289
390.1	Computer & Software	10,694	7,786	0	18,480	0	2.88%	532
391	Transportation Equipment	118,624	0	1,575	117,049	0	4.05%	4,743
392	Stores Equipment	0	0	0	0	0	0.00%	0
393	Tools, Shop and Garage Equipment	3,529	0	0	3,529	0	4.00%	141
394	Laboratory Equipment	0	0	0	0	0	0.00%	0
395	Power Operated Equipment	0	0	0	0	0	0.00%	0
396	Communication Equipment	16,246	109,158	31,431	93,973	0	2.46%	2,314
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$18,908,362	\$1,624,712	\$258,787	\$20,274,287	\$146,369		\$713,398

Contribution(s) in Aid of Construction (Gross) \$0
 Less: Non Amortizable Contribution(s) 0
 Fully Amortized Contribution(s) 0
 Amortizable Contribution(s) \$0
 Times: Proposed Amortization Rate 3.54%
 Amortization of CIAC \$0

Less: Amortization of CIAC

DEPRECIATION EXPENSE

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.

Saddlebrooke Utility Company
Annual Report
Balance Sheet Assets
12/31/20

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current and Accrued Assets			
131	Cash		\$786,997	\$1,255,652
132	Special Deposits		0	0
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		202,954	212,882
142	Other Accounts Receivable		5,300	13,073
143	Accumulated Provision for Uncollectable Accounts		0	0
145	Accounts Receivable - Related Parties		4,000	2,100
146	Notes Receivable from Associated Companies		1,547,034	1,537,025
151	Plant Material and Supplies		0	0
162	Prepayments		27,346	24,814
173	Accrued Utility Revenue		0	0
174	Miscellaneous Current and Accrued Assets		386,116	386,116
181	Unamortized Debt Discounts		0	0
	Total Current and Accrued Assets		\$2,959,747	\$3,431,662
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$18,908,362	\$20,274,287
103	Property Held for Future Use		0	0
105	Construction Work in Progress		678,895	98,220
108	Accumulated Depreciation (enter as negative)*		(12,651,642)	(13,106,356)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$6,935,615	\$7,266,151
	Total Assets		\$9,895,362	\$10,697,813

Note these items feed automatically from the adjusted end of year balance from AR4.

Saddlebrooke Utility Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2020)	Balance at End of Year (2020)
Account No.	Current Liabilities			
231	Accounts Payable		\$122,317	\$307,586
232	Notes Payable (Current Portion)		0	0
233	Accounts Payable - Related Party		3,034	1,355
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		60,193	61,533
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		35,389	26,626
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$220,933	\$397,100
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Total Long Term Debt		\$0	\$0
	Deferred Credits			
252	Advances in Aid of Construction		\$0	\$0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$220,933	\$397,100
	Capital Accounts			
201	Common Stock Issued		\$98,472	\$98,472
211	Other Paid-In Capital		3,224,839	3,224,839
215	Retained Earnings		6,351,118	6,977,402
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$9,674,429	\$10,300,713
	Total Liabilities and Capital		\$9,895,362	\$10,697,813

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

Saddlebrooke Utility Company
Annual Report
Wastewater Comparative Income Statement
12/31/20

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year	Last Year
		01/01/2020 - 12/31/2020	01/01/2019 - 12/31/2019
	Operating Revenue		
521	Flat Rate Revenues	\$2,444,820	\$2,412,154
522	Measured Revenues	76,468	64,242
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	88,580	80,959
	Total Revenues	\$2,609,868	\$2,557,355
	Operating Expenses		
701	Salaries and Wages	\$174,723	\$157,267
703	Salaries and Wages - Officers	\$25,148	\$25,071
704	Employee Pensions and Benefits	35,796	31,902
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	131,625	70,834
715	Purchased Power	207,987	207,644
716	Fuel for Power Production	0	0
718	Chemicals	12,713	9,829
720	Materials and Supplies	0	0
720.1	Repairs and Maintenance	34,303	31,400
720.2	Office Supplies and Expense	53,253	49,656
721	Office Expense	0	0
731	Contractual Services -Engineering	74	0
732	Contractual Services - Accounting	0	0
733	Contractual Services - Legal	477	2,221
734	Contractual Services - Management Fees	0	0
735	Contractual Services - Testing	17,058	17,193
736	Contractual Services - Other	50,809	50,925
740	Rents - Building	0	0
742	Rents - Equipment	3,945	4,002
750	Transportation Expenses	469	4,883
756	Insurance - Vehicle	6,443	5,331
757	Insurance - General Liability	33,754	31,039
758	Insurance - Worker's Compensation	0	0
759	Insurance - Other	0	0
760	Advertising Expense	0	0
766	Regulatory Commission Expense - Rate Case	0	0
767	Regulatory Commission Expense - Other	0	0
770	Bad Debt Expense	845	818
775	Miscellaneous Expense	6,462	7,139
403	Depreciation Expense (From Schedule AR4)	713,398	741,224
407.4	Amortization of Regulatory Asset	0	0
407.5	Amortization of Regulatory Liability	0	0
408.11	Property Taxes	112,590	108,113
408.12	Payroll Taxes	8,836	12,919
408.13	Other Taxes and Licenses	10,685	14,017
409	Income Taxes	0	0
434	Rate Case Adjustments	0	0
	Total Operating Expenses	\$1,641,391	\$1,583,427
	Operating Income / (Loss)	\$968,478	\$973,928
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	44,930	171,805
421	Non-Utility Income	6,741	5,345
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(15)	0
	Total Other Income / (Expense)	\$51,656	\$177,150
	Net Income / (Loss)	\$1,020,133	\$1,151,078

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.

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.0	0.0	0.0	0.0
Vice-president	0.0	0.0	0.0	0.0
Manager	0.0	0.4	0.0	0.4
Engineering Staff	0.0	0.0	0.0	0.0
System Operator(s)	1.6	1.1	0.0	2.6
Customer Service	0.0	0.2	0.0	0.2
Accounting	0.0	0.0	0.5	0.5
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	1.6	1.7	0.5	3.8

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. A full-time employee is based on 2080 total hours per year. Please calculate partial employees using 2080 hours.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	NA	NA	NA	NA
Source of Loan	NA	NA	NA	NA
ACC Decision No.	NA	NA	NA	NA
Reason for Loan	NA	NA	NA	NA
Dollar Amt. Issued	NA	NA	NA	NA
Amount Outstanding	NA	NA	NA	NA
Date of Maturity	NA	NA	NA	NA
Interest Rate	NA	NA	NA	NA
Current Year Interest	NA	NA	NA	NA
Current Year Principal	NA	NA	NA	NA

Meter Deposit Balance at Test Year End:	\$0
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Meter Deposits Refunded During the Test Year:	\$0
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Wastewater Utility Plant Description

Name of System:	Saddlebrooke Utility Company
Wastewater Inventory Number (if applicable):	none
Type of Treatment	other
Design Capacity of Plant (Gallons per day)	1,240,000

LIFT STATION FACILITIES					
Location	Quantity of Pumps	Horsepower Per Pump	Rated Capacity Per Pump (GPM)	Wet Well Capacity (gals)	Year Constructed
Construction Yard	2	3	50	1000	1997
Unit 7	2	3	50	1020	1997
Unit 9	2	7.5	140	677	1997
Unit 19	2	5	140	888	1995
Unit 27	2	5	120	380	2000
Unit 36	2	20	500	1800	1999
Unit 21 North	2	40	131	1197	2001
Unit 21 South	2	88	275	1795	2001
Unit 46	2	20	600	1800	2003
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a

FORCE MAINS		
Size	Material	Length (Feet)
4 inch	PVC	1,772
6 inch	PVC	8,046
<4 inch	PVC	8,002
>6 inch	PVC	2,797
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA
NA	NA	NA

MANHOLES	
Type	Quantity
Standard	1,048
Drop	0

CLEANOUTS	
Quantity	
135	
0	
0	
0	

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

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. Copy and paste this sheet as many times as is necessary.

Saddlebrooke Utility Company
 Annual Report
 Wastewater Utility Plant Description (Continued)

Wastewater Utility Plant Description (Continued)					
GRAVITY MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
4	PVC	6,302	4	PVC	5,268
8	PVC	275,296	6	NA	0
10	PVC	2,787	8	NA	0
3	PVC	760	10	NA	0
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			
NA	NA	N/A			

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

SOLIDS PROCESSING AND HANDLING FACILITIES	Centrifuge
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Ultra-Violet
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Sand and Anthracite
STRUCTURES (Buildings, Fences, Etc.)	Generators, Vehicles, Microscope
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Generators, Vehicles, Microscope

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

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. Copy and paste this sheet as many times as is necessary.

Saddlebrooke Utility Company
 Annual Report
 Wastewater Flows
 12/31/20

Wastewater Flows					
Month	Number of Services	Total Monthly Sewage Flow (Gallons)	Sewage Flow on Peak Day	Purchased Power Expense ¹	Purchased Power (kWh) ²
January	5,155	14,161,200	541,800	\$18,064	140,696
February	5,160	11,577,800	467,800	18,473	134,669
March	5,169	15,021,900	565,200	19,639	150,038
April	5,178	14,057,000	491,800	18,440	141,696
May	5,185	13,729,800	509,700	17,137	152,664
June	5,185	12,055,800	430,100	17,094	150,428
July	5,189	12,030,500	419,800	17,434	150,263
August	5,191	11,802,300	454,900	18,068	146,353
September	5,192	11,376,700	403,900	15,511	137,676
October	5,197	12,464,400	430,500	15,804	145,699
November	5,196	13,242,600	497,500	15,693	142,104
December	5,202	13,082,100	483,700	16,641	153,306
Totals		154,602,100	5,696,700	\$207,999	1,745,591

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Reuse
Groundwater Permit Number	100356
ADEQ Aquifer Protection Permit ("APP") Number	NA
ADEQ Reuse Permit Number	PL00356
EPA NPDES Permil Number	AZ0022853
APP Effluent Treatment Requirement (Class)?	A+
Permitted Flow Rate	1.24 MGD
Permitted Organic Capacity	280 mg/l(BOD design inflow)%
Hydraulic Capacity	3.72 MGD (Peak)%
Type of Biological Treatment	Extended Aeration (EA)

In the space below, list all violations within the past 12 months:

none

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

¹ Enter the total purchased power costs for the power meters associated with this system.
² Enter the total purchased kWh used by the power meters associated with this system.

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.

Other Wastewater System Information

Provide a calculation used to determine the value of one wastewater 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 = (Total SFR gallons treated (Omit 000) / 365 days / 280 gallons per day)

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated. Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per day.

NOTE: Total gallons treated includes both treated and purchased treatment.

ERC
Method used: (a), (b), other

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.

N/A

If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known.

Saddlebrooke HOA1 24,175,000 Saddlebrooke HOA2 20,088,000 Mountain View HOA 97,699,000

If the utility does not engage in reuse, has a reuse feasibility study been completed?

If so, when?
n/a

Saddlebrooke Utility Company
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/20

Utility Shutoffs / Disconnects	
Name of System:	Saddlebrooke Utility Company
Wastewater Inventory Number (if applicable):	none

Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.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):

N/A

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.

Saddlebrooke Utility Company
Annual Report
Property Taxes
12/31/20

Property Taxes	
Amount of actual property taxes paid during Calendar Year 2020 was	\$110,351

<p>If no property taxes paid, explain why.</p> <p>N/A</p>

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: Brian Smith - Vice President
Company name: Saddlebrooke Utility Company

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

FOR THE YEAR ENDING: 12/31/20

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

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

[Signature]
signature of owner/official

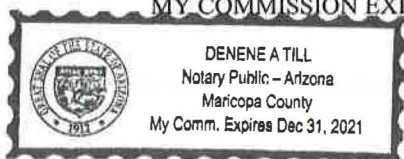
480-895-9200
telephone no.

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

THIS 28th DAY OF April, 2021
(month) and (year)

MY COMMISSION EXPIRES

12/31/2021
(date)



Denene A. Till
(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: Brian Smith - Vice President
Company name: Saddlebrooke Utility Company

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

FOR THE YEAR ENDING: 12/31/20

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 (\$)
\$2,616,231
(The amount in the box above includes
\$6,363 in sales taxes
billed or collected)

[Signature]

signature of owner/official

480-895-9200

telephone no.

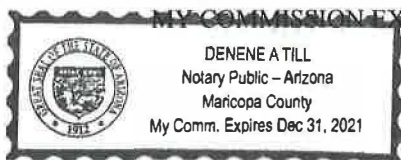
SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS

28th

DAY OF

Maricopa
(county name)
April, 2021
(month) and (year)



12/31/2021
(date)

[Signature]
(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: Brian Smith - Vice President
Company name: Saddlebrooke Utility Company

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

FOR THE YEAR ENDING: 12/31/20

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 (\$) \$2,483,480
(The amount in the box above includes \$0 in sales taxes billed or collected)

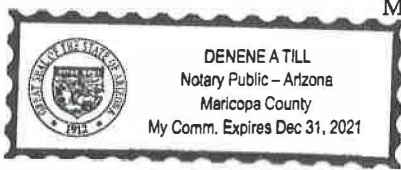
[Signature]
signature of owner/official
480-895-9200
telephone no.

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

Maricopa
(county name)

THIS 28th DAY OF April, 2021
(month) and (year)

MY COMMISSION EXPIRES 12/31/2021
(date)



Denene A. Till
(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): Maricopa
Name (owner or official) title: Brian Smith - Vice President
Company name: Saddlebrooke Utility Company

FOR THE YEAR ENDING: 12/31/20

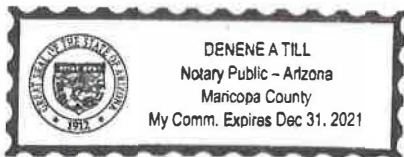
Sworn Statement: IN ACCORDANCE WITH THE REQUIREMENTS OF DECISION NO. 77084, BECAUSE THE UTILITY REQUIRES THE GROSS UP OF ADVANCES AND CONTRIBUTIONS, I HEREBY STATE THAT THE UTILITY HAS NOT INCURRED NOR IS EXPECTED TO INCUR A NET INCREASE IN CURRENT INCOME TAX EXPENSE OR A DECREASE IN DEFERRED TAX ASSET 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]
signature of owner/official
480-895-9200
telephone no.

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

THIS 28th DAY OF April, 2021
(month) and (year)

MY COMMISSION EXPIRES 12/31/2021
(date)



Denene A. Till
(signature of notary public)