

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: **12/31/19**

**RECEIVED
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5/15/2020, 12:15 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: **Original Filing**
Application Date: **5/5/2020**

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

For the Calendar Year Ended: 12/31/19

Primary Address: 9532 E Riggs Road
City: Sun Lakes State: Arizona Zip Code: 85248

Telephone Number: 480-895-9200

Date of Original Organization of Utility: 1995

Person to whom correspondence should be addressed concerning this report:

Name: Brian Smith
Telephone No. : 480-895-9200
Address: 9532 E Riggs Road
City: Sun Lakes State: Arizona Zip Code: 85248
Email: Brian.Smith@Robson.com

On-Site Manager

Name: Ed MacMeans
Telephone No. : 520-449-2105
Address: 40004 S Ridgeview Blvd
City: Tucson State: Arizona Zip Code: 85739
Email: Ed.MacMeans@Robson.com

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

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

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

Ownership: "S" Corporation

Counties Served: Pinal

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Saddlebrooke Utility Company

Important changes during the year

No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
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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?
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If yes, please provide specific details in the box below.

N/A

Utility Plant in Service (Wastewater)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OC LD (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	82,128	32,792	0	114,920	49,568	65,352
355	Power Generation Equipment	697	0	0	697	49	648
360	Collections Wastewater - Force	0	0	0	0	0	0
361	Collections Wastewater - Gravity	7,021,682	0	0	7,021,682	5,033,723	1,987,959
362	Special Collecting Structures	0	0	0	0	0	0
363	Services to Customers	1,591,755	2,952	0	1,594,707	1,028,651	566,056
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	445,923	163,947
371	Pumping Equipment	1,144,118	72,367	44,068	1,172,417	664,758	507,659
374	Reuse Distribution Reservoirs	0	0	0	0	0	0
375	Reuse Trans. And Distr. Equipment	384,473	0	0	384,473	28,195	356,278
380	Treatment and Disposal Equipment	6,577,035	224,738	61,134	6,740,639	5,085,499	1,655,140
381	Plant Sewers	0	0	0	0	0	0
382	Outfall Sewer Lines	705,629	0	0	705,629	287,879	417,750
389	Other Plant and Misc. Equipment	201,072	65,564	6,000	260,636	40,593	220,043
390	Office Furniture and Equipment	7,230	0	0	7,230	1,127	6,103
390.1	Computer & Software	10,694	0	0	10,694	1,907	8,787
391	Transportation Equipment	105,264	31,218	17,858	118,624	(17,714)	136,338
392	Stores Equipment	0	0	0	0	0	0
393	Tools, Shop and Garage Equipment	3,529	0	0	3,529	432	3,097
394	Laboratory Equipment	0	0	0	0	0	0
395	Power Operated Equipment	0	0	0	0	0	0
396	Communication Equipment	13,689	2,557	0	16,246	1,052	15,194
397	Miscellaneous Equipment	0	0	0	0	0	0
398	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$18,605,234	\$432,188	\$129,060	\$18,908,362	\$12,651,642	\$6,256,720

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
Depreciation Expense for the Current Year (Wastewater)
12/31/19

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	82,128	32,792	0	114,920	0	3.50%	4,022
355	Power Generation Equipment	697	0	0	697	0	4.02%	28
360	Collections Wastewater - Force	0	0	0	0	0	0.00%	0
361	Collections Wastewater - Gravity	7,021,682	0	0	7,021,682	0	3.99%	280,130
362	Special Collecting Structures	0	0	0	0	0	0.00%	0
363	Services to Customers	1,591,755	2,952	0	1,594,707	0	3.98%	63,399
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	0.00%	24,395
371	Pumping Equipment	1,144,118	72,367	44,068	1,172,417	0	3.95%	46,301
374	Reuse Distribution Reservoirs	0	0	0	0	0	0.00%	0
375	Reuse Trans. And Distr. Equipment	384,473	0	0	384,473	0	4.00%	15,379
380	Treatment and Disposal Equipment	6,577,035	224,738	61,134	6,740,639	0	3.93%	264,870
381	Plant Sewers	0	0	0	0	0	0.00%	0
382	Outfall Sewer Lines	705,629	0	0	705,629	0	4.00%	28,225
389	Other Plant and Misc. Equipment	201,072	65,564	6,000	260,636	0	3.45%	8,982
390	Office Furniture and Equipment	7,230	0	0	7,230	0	4.00%	289
390.1	Computer & Software	10,694	0	0	10,694	0	4.00%	428
391	Transportation Equipment	105,264	31,218	17,858	118,624	0	3.37%	4,002
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	13,689	2,557	0	16,246	0	3.90%	633
397	Miscellaneous Equipment	0	0	0	0	0	0.00%	0
398	Other Tangible Plant	0	0	0	0	0	0.00%	0
	Subtotal	\$18,605,234	\$432,188	\$129,060	\$18,908,362	\$146,369		\$741,224

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

\$0
0
0
\$0
3.95%
\$0

Less: Amortization of CIAC **\$0**

DEPRECIATION EXPENSE \$741,224

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
12/31/19

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2019)	Balance at End of Year (2019)
Account No.	Current and Accrued Assets			
131	Cash		\$184,800	\$786,997
132	Special Deposits		0	0
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		209,976	202,954
142	Other Accounts Receivable		2,439	5,300
143	Accumulated Provision for Uncollectable Accounts		0	0
145	Accounts Receivable - Related Parties		4,230	4,000
146	Notes Receivable from Associated Companies		4,813,682	1,547,034
151	Plant Material and Supplies		0	0
162	Prepayments		31,986	27,346
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		\$5,633,229	\$2,959,747
	Deferred Debits			
186.1	Deferred Rate Case Expense		\$0	\$0
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$18,605,234	\$18,908,362
103	Property Held for Future Use		0	0
105	Construction Work in Progress		654,451	678,895
108	Accumulated Depreciation (enter as negative)*		(12,038,329)	(12,651,642)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$7,221,356	\$6,935,615
	Total Assets		\$12,854,585	\$9,895,362

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 (2019)	Balance at End of Year (2019)
Account No.	Current Liabilities			
231	Accounts Payable		\$98,475	\$122,317
232	Notes Payable (Current Portion)		0	0
233	Accounts Payable - Related Party		263,860	3,034
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		0	0
236	Accrued Taxes		61,856	60,193
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		24,028	35,389
253	Other Deferred Credits		0	0
	Total Current Liabilities		\$448,219	\$220,933
	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		\$448,219	\$220,933
	Capital Accounts			
201	Common Stock Issued		\$98,472	\$98,472
211	Other Paid-In Capital		3,224,839	3,224,839
215	Retained Earnings		9,083,055	6,351,118
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$12,406,366	\$9,674,429
	Total Liabilities and Capital		\$12,854,585	\$9,895,362

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
12/31/19

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2019 - 12/31/2019	Last Year 01/01/2018 - 12/31/2018
	Operating Revenue		
521	Flat Rate Revenues	\$2,412,154	\$2,378,832
522	Measured Revenues	64,242	80,538
534	Rents from Wastewater Property	0	0
536	Other Wastewater Revenues	80,959	73,355
	Total Revenues	\$2,557,355	\$2,532,725
	Operating Expenses		
701	Salaries and Wages	\$157,267	\$118,565
703	Salaries and Wages - Officers	\$25,071	\$25,071
704	Employee Pensions and Benefits	31,902	23,419
710	Purchased Wastewater Treatment	0	0
711	Sludge Removal Expense	70,834	62,772
715	Purchased Power	207,644	219,268
716	Fuel for Power Production	0	0
718	Chemicals	9,829	15,236
720	Materials and Supplies	0	0
720.1	Repairs and Maintenance	31,400	16,090
720.2	Office Supplies and Expense	49,656	44,842
721	Office Expense	0	0
731	Contractual Services -Engineering	0	0
732	Contractual Services - Accounting	0	795
733	Contractual Services - Legal	2,221	1,263
734	Contractual Services - Management Fees	0	0
735	Contractual Services - Testing	17,193	16,771
736	Contractual Services - Other	50,925	50,336
740	Rents - Building	4,002	3,945
742	Rents - Equipment	0	0
750	Transportation Expenses	4,883	15,855
756	Insurance - Vehicle	5,331	1,882
757	Insurance - General Liability	31,039	22,690
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	818	1,367
775	Miscellaneous Expense	7,139	7,021
403	Depreciation Expense (From Schedule AR4)	741,224	723,729
407.4	Amortization of Regulatory Asset	0	0
407.5	Amortization of Regulatory Liability	0	0
408.11	Property Taxes	108,113	106,841
408.12	Payroll Taxes	12,919	8,519
408.13	Other Taxes and Licenses	14,017	13,531
409	Income Taxes	0	0
434	Rate Case Adjustments	0	0
	Total Operating Expenses	\$1,583,427	\$1,499,808
	Operating Income / (Loss)	\$973,928	\$1,032,917
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions	\$0	\$0
419	Interest and Dividend Income	171,805	200,230
421	Non-Utility Income	5,345	5,010
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$177,150	\$205,240
	Net Income / (Loss)	\$1,151,078	\$1,238,157

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
Full time equivalent employees
12/31/19

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President	0.00	0.00	0.00	0.00
Vice-president	0.00	0.00	0.03	0.03
Manager	0.00	0.35	0.00	0.35
Engineering Staff	0.00	0.00	0.00	0.00
System Operator(s)	1.27	1.14	0.00	2.41
Customer Service	0.00	0.20	0.00	0.20
Accounting	0.00	0.00	0.39	0.39
Business Office	0.00	0.00	0.01	0.01
Rates Department	0.00	0.00	0.00	0.00
Administrative Staff	0.00	0.04	0.00	0.04
Other	0.00	0.00	0.00	0.00
Total	1.27	1.73	0.43	3.43

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.

Saddlebrooke Utility Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/19

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	1/18/1996	NA	NA	NA
Source of Loan	IDA Bonds	NA	NA	NA
ACC Decision No.	11/24/2061	NA	NA	NA
Reason for Loan	Construction	NA	NA	NA
Dollar Amt. Issued	\$3,950,000	NA	NA	NA
Amount Outstanding	\$0	NA	NA	NA
Date of Maturity	7/1/2019	NA	NA	NA
Interest Rate	7.25%	NA	NA	NA
Current Year Interest	\$0	NA	NA	NA
Current Year Principal	\$0	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	Extended Aeration
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

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			
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
12/31/19

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	5,076	14,685,900	573,000	\$20,748	146,635
February	5,083	13,453,600	547,900	21,060	150,509
March	5,087	15,126,400	540,500	18,577	149,670
April	5,100	13,657,400	495,400	16,381	149,950
May	5,109	11,880,000	423,100	15,735	146,383
June	5,111	10,341,000	368,400	14,702	137,503
July	5,124	10,483,000	371,700	14,921	136,846
August	5,143	10,690,900	372,300	15,469	144,365
September	5,140	11,162,800	414,100	16,063	135,252
October	5,146	11,162,800	414,100	16,770	138,397
November	5,150	13,720,000	526,900	19,193	147,224
December	5,157	13,613,500	496,100	17,965	144,672
	Totals	149,977,300	5,543,500	\$207,585	1,727,406

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 Permit 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 relevant 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:
$$\text{ERC} = (\text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day})$$

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.

ASR Well - 2020

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 13,695,000 Saddlebrooke HOA2 11,422, 055 Mountain View HOA 86,408,907

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
12/31/19

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.

Property Taxes	
----------------	--

Amount of actual property taxes paid during Calendar Year 2018 was
--

\$107,477

If no property taxes paid, explain why.

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.

Verification and Sworn Statement (Taxes)

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

County of (county name): Pinal
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: 12/31/19

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.

RECEIVED
BY EMAIL

5/15/2020, 12:15 PM
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official

895-9200
telephone no.

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

THIS 15th DAY OF May, 2020
(month) and (year)

MY COMMISSION EXPIRES

4/25/21
(date)



[Signature]
(signature of notary public)

Verification and Sworn Statement

Verification:

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

County of (county name):

Pinal

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: 12/31/19

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 (\$)

\$2,562,700

(The amount in the box above includes

\$5,345

in sales taxes

billed or collected)

RECEIVED
BY EMAIL

5/15/2020, 12:15 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

[Signature]
signature of owner/official

895-9200

telephone no.

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

THIS

15th

DAY OF

Maricopa
(county name)

May, 2020
(month) and (year)

MY COMMISSION EXPIRES

4/25/21
(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):

Pinal

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: 12/31/19

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 (\$)

\$2,434,981

(The amount in the box above includes

\$0 in sales taxes
billed or collected)

**RECEIVED
BY EMAIL**

5/15/2020, 12:15 PM

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION


signature of owner/official

895-9200

telephone no.

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

Maricopa
(county name)

THIS

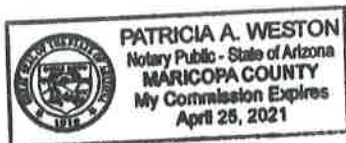
15th

DAY OF

May, 2020
(month) and (year)

MY COMMISSION EXPIRES

4/25/21
(date)




(signature of notary public)