

ANNUAL REPORT

Of

Company Name: Liberty Utilities (Rio Rico Water and Sewer) Corp
14920 W. Camelback Rd.,

Mailing Address: Litchfield Park AZ
85340

Docket No.: WS-02676A
For the Year Ended: 12/31/21

**RECEIVED
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION**

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

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

Application Type: Original Filing
Application Date: 7/29/2022

ARIZONA CORPORATION COMMISSION
 WATER UTILITY ANNUAL REPORT
 Liberty Utilities (Rio Rico Water and Sewer) Corp
 A Class **B** Utility

For the Calendar Year Ended: 12/31/21

Primary Address: 14920 W. Camelback Rd.,
 City: Litchfield Park State: Arizona Zip Code: 85340

Telephone Number: 623-935-9367

Date of Original Organization of Utility: 5/18/1992

Person to whom correspondence should be addressed concerning this report:

Name: Nick Liu
 Telephone No. : 623-298-3762
 Address: 14920 W. Camelback Rd.,
 City: Litchfield Park State: Arizona Zip Code: 85340
 Email: Nick.Liu@libertyutilities.com

Management Contact

Name: Crystal Greene
 Telephone No. : 623-298-3744
 Address: 14920 W. Camelback Rd.,
 City: Litchfield Park State: Arizona Zip Code: 85340
 Email: Crystal.Greene@libertyutilities.com

On-Site Manager

Name: Martin Garlant
 Telephone No. : 520-377-7655
 Address: 1225 W Frontage Rd.,
 City: Rio Rico State: Arizona Zip Code: 85340
 Email: Martin.Garlant@LibertyUtilities.com

NA

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

NA

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

Ownership: "C" Corporation

Counties Served: Santa Cruz

| | |
|--|--|
| 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? |
| | If yes, please provide specific details in the box below. |
| | NA |

| | |
|----|---|
| No | Has the company been notified by any other regulatory authorities during the year, that they are out of compliance? |
| | If yes, please provide specific details in the box below. |
| | NA |

| Utility Plant in Service (Water) | | | | | | | |
|----------------------------------|--|------------------------------|------------------------|--------------------------|------------------------|--------------------------|---------------------|
| Account No. | Description | Beginning Year Original Cost | Current Year Additions | Current Year Retirements | Adjusted Original Cost | Accumulated Depreciation | OCLD (OC less AD) |
| 301 | Organization | \$5,785 | \$0 | \$0 | \$5,785 | \$0 | \$5,785 |
| 302 | Franchises | 417 | 0 | 0 | 417 | 0 | 417 |
| 303 | Land and Land Rights | 45,968 | 0 | 0 | 45,968 | 0 | 45,968 |
| 304 | Structures and Improvements | 3,492,788 | 11,867 | 0 | 3,504,655 | 1,626,386 | 1,878,269 |
| 305 | Collecting & Improving Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 |
| 306 | Lake, River, Canal Intakes | 0 | 0 | 0 | 0 | 0 | 0 |
| 307 | Wells and Springs | 549,813 | 1,274 | 0 | 551,087 | 393,182 | 157,905 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0 |
| 309 | Supply Mains | 494,515 | 0 | 0 | 494,515 | 90,928 | 403,587 |
| 310 | Power Generation Equipment | 219,360 | 0 | 0 | 219,360 | 211,040 | 8,320 |
| 311 | Pumping Equipment | 3,136,864 | 197,500 | 0 | 3,334,364 | 2,621,299 | 713,065 |
| 320 | Water Treatment Equipment | 2,079 | 0 | 0 | 2,079 | 312 | 1,767 |
| 320.1 | Water Treatment Plants | 375,354 | 10,924 | 0 | 386,278 | 301,523 | 84,755 |
| 320.2 | Solution Chemical Feeders | 75,309 | 12,517 | 0 | 87,826 | 63,581 | 24,245 |
| 320.3 | Point-of-Use Treatment Devices | 0 | 0 | 0 | 0 | 0 | 0 |
| 330 | Distribution Reservoirs and Standpipes | 0 | 0 | 0 | 0 | 0 | 0 |
| 330.1 | Storage Tanks | 690,752 | 0 | 0 | 690,752 | 324,377 | 366,375 |
| 330.2 | Pressure Tanks | 69,778 | 0 | 0 | 69,778 | 46,338 | 23,440 |
| 331 | Transmission and Distribution Mains | 24,271,473 | 244,224 | 0 | 24,515,697 | 14,083,521 | 10,432,176 |
| 333 | Services | 6,848,978 | 793,217 | 0 | 7,642,195 | 2,284,465 | 5,357,730 |
| 334 | Meters and Meter Installations | 2,814,925 | 140,132 | 0 | 2,955,057 | 1,758,433 | 1,196,624 |
| 335 | Hydrants | 662,019 | 5,085 | 0 | 667,104 | 305,055 | 362,049 |
| 336 | Backflow Prevention Devices | 15,855 | 0 | 0 | 15,855 | 11,583 | 4,272 |
| 339 | Other Plant and Misc. Equipment | 191,880 | 0 | 0 | 191,880 | 116,825 | 75,055 |
| 340 | Office Furniture and Equipment | 2,126 | 5,448 | 0 | 7,574 | 1,506 | 6,068 |
| 340.1 | Computer & Software | 201,582 | 31,676 | 0 | 233,258 | 177,643 | 55,615 |
| 341 | Transportation Equipment | 183,401 | 0 | 0 | 183,401 | 174,390 | 9,011 |
| 342 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 343 | Tools, Shop and Garage Equipment | 140,785 | 21,887 | 0 | 162,672 | 48,447 | 114,225 |
| 344 | Laboratory Equipment | 3,061 | 0 | 0 | 3,061 | 3,061 | 0 |
| 345 | Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 |
| 346 | Communication Equipment | 299,811 | 0 | 0 | 299,811 | 278,879 | 20,932 |
| 347 | Miscellaneous Equipment | 5,427 | 0 | 0 | 5,427 | 5,427 | 0 |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 |
| | Totals | \$44,800,106 | \$1,475,751 | \$0 | \$46,275,857 | \$24,928,201 | \$21,347,656 |

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/21

| Depreciation Expense for the Current Year (Water) | | | | | | | | | |
|---|--|------------------------------|------------------------|--------------------------|------------------------|---|---------------------|--------------------------|----------------------|
| Account No. | Description | Beginning Year Original Cost | Current Year Additions | Current Year Retirements | Adjusted Original Cost | Fully Depreciated/Non-depreciable Plant | Depreciable Plant | Depreciation Percentages | Depreciation Expense |
| 301 | Organization | \$5,785 | \$0 | \$0 | \$5,785 | \$0 | \$5,785 | 0.00% | \$0 |
| 302 | Franchises | 417 | 0 | 0 | 417 | 0 | 417 | 0.00% | 0 |
| 303 | Land and Land Rights | 45,968 | 0 | 0 | 45,968 | 0 | 45,968 | 0.00% | 0 |
| 304 | Structures and Improvements | 3,492,788 | 11,867 | 0 | 3,504,655 | 0 | 3,504,655 | 3.33% | 116,507 |
| 305 | Collecting & Improving Reservoirs | 0 | 0 | 0 | 0 | 0 | 0 | 2.50% | 0 |
| 306 | Lake, River, Canal Intakes | 0 | 0 | 0 | 0 | 0 | 0 | 2.50% | 0 |
| 307 | Wells and Springs | 549,813 | 1,274 | 0 | 551,087 | 0 | 551,087 | 3.33% | 18,330 |
| 308 | Infiltration Galleries | 0 | 0 | 0 | 0 | 0 | 0 | 6.67% | 0 |
| 309 | Supply Mains | 494,515 | 0 | 0 | 494,515 | 0 | 494,515 | 2.00% | 9,890 |
| 310 | Power Generation Equipment | 219,360 | 0 | 0 | 219,360 | 0 | 219,360 | 5.00% | 10,968 |
| 311 | Pumping Equipment | 3,136,864 | 197,500 | 0 | 3,334,364 | 1,641,310 | 1,693,055 | 12.50% | 199,288 |
| 320 | Water Treatment Equipment | 2,079 | 0 | 0 | 2,079 | 0 | 2,079 | 3.33% | 69 |
| 320.1 | Water Treatment Plants | 375,354 | 10,924 | 0 | 386,278 | 0 | 386,278 | 3.33% | 12,681 |
| 320.2 | Solution Chemical Feeders | 75,309 | 12,517 | 0 | 87,826 | 24,959 | 62,868 | 20.00% | 11,322 |
| 320.3 | Point-of-Use Treatment Devices | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0 |
| 330 | Distribution Reservoirs and Standpipes | 0 | 0 | 0 | 0 | 0 | 0 | 2.22% | 0 |
| 330.1 | Storage Tanks | 690,752 | 0 | 0 | 690,752 | 0 | 690,752 | 2.22% | 15,335 |
| 330.2 | Pressure Tanks | 69,778 | 0 | 0 | 69,778 | 0 | 69,778 | 5.00% | 3,489 |
| 331 | Transmission and Distribution Mains | 24,271,473 | 244,224 | 0 | 24,515,697 | 0 | 24,515,697 | 2.00% | 487,872 |
| 333 | Services | 6,848,978 | 793,217 | 0 | 7,642,195 | 1,303,039 | 6,339,156 | 3.33% | 197,887 |
| 334 | Meters and Meter Installations | 2,814,925 | 140,132 | 0 | 2,955,057 | 774,572 | 2,180,485 | 8.33% | 175,798 |
| 335 | Hydrants | 662,019 | 5,085 | 0 | 667,104 | 0 | 667,104 | 2.00% | 13,291 |
| 336 | Backflow Prevention Devices | 15,855 | 0 | 0 | 15,855 | 0 | 15,855 | 6.67% | 1,058 |
| 339 | Other Plant and Misc. Equipment | 191,880 | 0 | 0 | 191,880 | 0 | 191,880 | 6.67% | 12,798 |
| 340 | Office Furniture and Equipment | 2,126 | 5,448 | 0 | 7,574 | 0 | 7,574 | 6.67% | 324 |
| 340.1 | Computer & Software | 201,582 | 31,676 | 0 | 233,258 | 147,080 | 86,178 | 20.00% | 14,068 |
| 341 | Transportation Equipment | 183,401 | 0 | 0 | 183,401 | 152,637 | 30,765 | 20.00% | 6,153 |
| 342 | Stores Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 4.00% | 0 |
| 343 | Tools, Shop and Garage Equipment | 140,785 | 21,887 | 0 | 162,672 | 0 | 162,672 | 5.00% | 7,586 |
| 344 | Laboratory Equipment | 3,061 | 0 | 0 | 3,061 | 3,061 | 0 | 10.00% | 0 |
| 345 | Power Operated Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5.00% | 0 |
| 346 | Communication Equipment | 299,811 | 0 | 0 | 299,811 | 205,260 | 94,551 | 10.00% | 9,455 |
| 347 | Miscellaneous Equipment | 5,427 | 0 | 0 | 5,427 | 1,870 | 3,557 | 10.00% | 356 |
| 348 | Other Tangible Plant | 0 | 0 | 0 | 0 | 0 | 0 | 10.00% | 0 |
| | Subtotal | \$44,800,106 | \$1,475,751 | \$0 | \$46,275,857 | \$4,253,787 | \$42,022,071 | | \$1,324,525 |

Contribution(s) in Aid of Construction (Gross) \$21,058,353
Less: Non Amortizable Contribution(s)
Fully Amortized Contribution(s)
Amortizable Contribution(s) **\$21,058,353**
Times: Proposed Amortization Rate 3.15%
Amortization of CIAC \$663,754

Less: Amortization of CIAC \$663,754

DEPRECIATION EXPENSE \$660,771

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
Balance Sheet Assets
12/31/21

| Balance Sheet Assets | | | | |
|-----------------------------|--|--|---|----------------------------------|
| | Assets | | Balance at Beginning of Year (2021) | Balance at End of Year (2021) |
| Account No. | Current and Accrued Assets | | | |
| 131 | Cash | | (\$9,897) | (15,208.87) |
| 134 | Working Funds | | | |
| 135 | Temporary Cash Investments | | | |
| 141 | Customer Accounts Receivable | | 457,010 | 521,498 |
| 142 | Other Accounts Receivable | | | |
| 143 | Accumulated Provision for Uncollectable Accounts | | (25,600) | (77,965) |
| 146 | Notes Receivable from Associated Companies | | | |
| 151 | Plant Material and Supplies | | | |
| 162 | Prepayments | | 4,320 | 2,250 |
| 173 | Accrued Utility Revenue | | 241,620 | 309,326 |
| 174 | Miscellaneous Current and Accrued Assets | | | 0 |
| | Total Current and Accrued Assets | | \$667,453 | \$739,900 |
| | | | | |
| | Deferred Debits | | | |
| 186.1 | Deferred Rate Case Expense | | \$34,158 | \$394 |
| 186.2 | Other Deferred Debits | | | |
| | Total Deferred Debits | | \$34,158 | \$394 |
| | | | | |
| Account No. | Fixed Assets | | | |
| 101 | Utility Plant in Service* | | \$44,800,106 | \$46,275,857 |
| 103 | Property Held for Future Use | | | |
| 105 | Construction Work in Progress | | 2,138,470 | 2,331,565 |
| 108 | Accumulated Depreciation (enter as negative)* | | (23,895,064) | (24,928,201) |
| 121 | Non-Utility Property | | 2,287,725 | 2,283,857 |
| 122 | Accumulated Depreciation - Non Utility | | (1,259,126) | (1,316,163) |
| | Total Fixed Assets | | \$24,072,110 | \$24,646,915 |
| | Total Assets | | \$24,773,720 | \$25,387,209 |

*Note these items feed automatically from AR3 UPIS Page 4

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
Balance Sheet Liabilities and Owners Equity

| Balance Sheet Liabilities and Owners Equity | | | | |
|--|---|--|--|----------------------------------|
| | Liabilities | | Balance at Beginning of Year (2021) | Balance at End of Year (2021) |
| Account No. | Current Liabilities | | | |
| 231 | Accounts Payable | | \$370 | \$520 |
| 232 | Notes Payable (Current Portion) | | 0 | 0 |
| 234 | Notes Payable to Associated Companies | | (1,809,384) | (1,826,449) |
| 235 | Customer Deposits | | 518,469 | 523,685 |
| 236 | Accrued Taxes | | 6,584 | 7,614 |
| 237 | Accrued Interest | | 10,117 | 0 |
| 242 | Miscellaneous Current and Accrued Liabilities | | 2,420,731 | 2,692,131 |
| | Total Current Liabilities | | \$1,146,887 | \$1,397,501 |
| | Long Term Debt | | | |
| 224 | Long Term Debt (Notes and Bonds) | | \$0 | \$0 |
| | Deferred Credits | | | |
| 251 | Unamortized Premium on Debt | | \$0 | \$0 |
| 252 | Advances in Aid of Construction | | 1,604,416 | 1,298,634 |
| 253 | Other Deferred Credits | | 118,297 | 239,463 |
| 255 | Accumulated Deferred Investment Tax Credits | | (3,100) | (4,651) |
| 271 | Contributions in Aid of Construction | | 20,676,215 | 21,058,353 |
| 272 | Less: Amortization of Contributions | | (14,202,632) | (14,853,159) |
| 281 | Accumulated Deferred Income Tax | | 1,929,185 | 2,635,418 |
| | Total Deferred Credits | | \$10,122,380 | \$10,374,058 |
| | Total Liabilities | | \$11,269,267 | \$11,771,560 |
| | Capital Accounts | | | |
| 201 | Common Stock Issued | | \$0 | \$0 |
| 211 | Other Paid-In Capital | | 7,708,051 | 7,204,954 |
| 215 | Retained Earnings | | 5,796,401 | 6,410,695 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | 0 | 0 |
| | Total Capital | | \$13,504,453 | \$13,615,648 |
| | Total Liabilities and Capital | | \$24,773,720 | \$25,387,208 |

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

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
Water Comparative Income Statement
12/31/21

| Water Comparative Income Statement | | | |
|---|--|-------------------------|-------------------------|
| Account No. | Calendar Year | Current Year | Last Year |
| | | 01/01/2021 - 12/31/2021 | 01/01/2020 - 12/31/2020 |
| | Operating Revenue | | |
| 461 | Metered Water Revenue | \$3,920,912 | \$3,878,420 |
| 460 | Unmetered Water Revenue | | 0 |
| 462 | Fire Protection Revenue | 3,093 | 2,859 |
| 469 | Guaranteed Revenues (Surcharges) | | 0 |
| 471 | Miscellaneous Service Revenues | 92,806 | 60,084 |
| 474 | Other Water Revenue | | |
| | Total Revenues | \$4,016,811 | \$3,941,363 |
| | | | |
| | Operating Expenses | | |
| 601 | Salaries and Wages | \$0 | \$0 |
| 604 | Employee Pensions and Benefits | 0 | 0 |
| 610 | Purchased Water | 10,826 | 16,704 |
| 615 | Purchased Power | 375,738 | 359,862 |
| 616 | Fuel for Power Production | 0 | 0 |
| 618 | Chemicals | 15,207 | 23,906 |
| 620 | Materials and Supplies | 16,712 | 44,857 |
| 620.1 | Repairs and Maintenance | 0 | 0 |
| 620.2 | Office Supplies and Expense | 33,720 | 30,645 |
| 630 | Contractual Services | 0 | 0 |
| 631 | Contractual Services - Engineering | 0 | 0 |
| 632 | Contractual Services - Accounting | 20,812 | 24,482 |
| 633 | Contractual Services - Legal | 7,635 | 3,781 |
| 634 | Contractual Services - Management Fees | 1,094,684 | 739,408 |
| 635 | Contractual Services - Water Testing | 10,959 | 7,500 |
| 636 | Contractual Services - Other | 272,711 | 542,374 |
| 640 | Rents | | 0 |
| 641 | Rental of Building/Real Property | 25,619 | 0 |
| 642 | Rental of Equipment | 3,262 | 6,357 |
| 650 | Transportation Expenses | 43,039 | 44,171 |
| 657 | Insurance - General Liability | 35,615 | 19,873 |
| 657.1 | Insurance - Health and Life | | 0 |
| 665 | Regulatory Commission Expense - Rate | | 0 |
| 667 | Regulatory Commission Expense - Other | 9,535 | 37,114 |
| 670 | Bad Debt Expense | 35,804 | 50,469 |
| 675 | Miscellaneous Expense | 78,940 | 140,885 |
| 403 | Depreciation Expense (From Schedule AR4) | 660,771 | 623,976 |
| 408 | Taxes Other Than Income | | 0 |
| 408.11 | Property Taxes | 237,174 | 234,046 |
| 409 | Income Taxes | 276,458 | 309,666 |
| 427.1 | Customer Security Deposit Interest | | |
| | Total Operating Expenses | \$3,265,220 | \$3,260,075 |
| | | | |
| | Operating Income / (Loss) | \$751,591 | \$681,288 |
| | | | |
| | Other Income / (Expense) | | |
| 419 | Interest and Dividend Income | | |
| 420 | AFUDC Revenue | | \$4,399 |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility (Expense) | (71,693) | |
| 427 | Interest (Expense) | (14,785) | (16,008) |
| 433 | Extraordinary Income | | |
| 434 | Extraordinary Deductions | | |
| | Total Other Income / (Expense) | (\$86,478) | (\$11,608) |
| | | | |
| | Net Income / (Loss) | \$665,113 | \$669,680 |

Liberty Utilities (Rio Rico Water and Sewer) Corp
 Annual Report
 Full time equivalent employees
 12/31/21

Full time equivalent employees

| | Direct Company | Allocated | Outside service | Total |
|----------------------|----------------|-----------|-----------------|-------|
| President | 0.1 | 0.0 | 0.0 | 0.1 |
| Vice-president | 0.0 | 0.0 | 0.0 | 0.0 |
| Manager | 0.0 | 0.0 | 0.0 | 0.0 |
| Engineering Staff | 1.2 | 0.0 | 0.0 | 1.2 |
| System Operator(s) | 7.0 | 0.0 | 0.0 | 7.0 |
| Meter reader | 0.0 | 0.0 | 0.0 | 0.0 |
| Customer Service | 2.0 | 0.1 | 0.0 | 2.1 |
| Accounting | 0.0 | 0.9 | 0.0 | 0.9 |
| Business Office | 0.0 | 0.0 | 0.0 | 0.0 |
| Rates Department | 0.2 | 0.0 | 0.0 | 0.3 |
| Administrative Staff | 0.5 | 0.1 | 0.0 | 0.6 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 10.9 | 1.2 | 0.0 | 12.1 |

| 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: | 486,024.49 |
|---|------------|

| | |
|---|-----|
| Meter Deposits Refunded During the Test Year: | \$0 |
|---|-----|

List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Well and Water Usage

| Name of the System: RIO RICO UTILITIES INC. | | | | | | | | | | | |
|---|-----------------|------------------|---------------------|--------------------------|--------------------|--------------|------------------|------------------|---------------------|---------------|--------|
| ADEQ Public Water System Number | | | AZ0412011 | | | | | | | | |
| ADWR PCC Number: | | | 91-000595.0000 | | | | | | | | |
| Well registry 55# (55-XXXXXX): | Pump Horsepower | Pump Yield (gpm) | Casing Depth (feet) | Casing Diameter (inches) | Pump Motor Type ** | Year Drilled | Water level 2010 | Water level 2020 | Meter Size (inches) | How measured: | Active |
| 55-502579 | 200 | 1,100 | 650 | 16 | turbine | 1983 | Unknown | Unknown | 8 | Metered | Yes |
| 55-619359 | 75 | 625 | 250 | 10 | submersible | 1985 | Unknown | Unknown | 6 | Metered | Yes |
| 55-604302 | 20 | 0 | unk | 16 | none | 1972 | Unknown | Unknown | 2 | N/A | no |
| 55-604364 | 75 | 625 | 251 | 10 | submersible | 1968 | Unknown | Unknown | 6 | Metered | Yes |
| 55-604363 | 75 | 650 | 603 | 12 | submersible | 1970 | Unknown | Unknown | 8 | Metered | Yes |
| 55-604366 | 20 | 0 | unk | 10 | none | 1967 | Unknown | Unknown | 2 | N/A | no |
| 55-587292 | 200 | 975 | 605 | 16 | turbine | 2003 | Unknown | Unknown | 10 | Metered | Yes |
| 55-206176 | 250 | 1,300 | 650 | 16 | turbine | 2005 | Unknown | Unknown | 10 | Metered | Yes |
| NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |

| | |
|---|-------------------------|
| Name of system water delivered to: | RIO RICO UTILITIES INC. |
| ADWR PCC Number: | 91-000595.0000 |
| Source of water delivered to another system | NA |

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

| Month | Water withdrawn (gallons) ¹ | Water sold (gallons) ² | Water delivered (sold) to other systems (gallons) ³ | Water received (purchased) from other systems (gallons) ⁴ | Estimated authorized use (gallons) ⁵ | Purchased Power Expense ⁶ | Purchased Power (kWh) ⁷ |
|---------------|--|-----------------------------------|--|--|---|--------------------------------------|------------------------------------|
| January | 52,020,000.00 | 54,535,252.00 | 0.00 | 0.00 | 543,000.00 | \$12,405 | 73,365 |
| February | 48,882,000.00 | 44,531,002.00 | 0.00 | 0.00 | 667,000.00 | 16,705 | 112,338 |
| March | 56,686,000.00 | 47,449,070.00 | 0.00 | 0.00 | 670,000.00 | 395 | 124,059 |
| April | 62,816,000.00 | 55,697,165.00 | 0.00 | 0.00 | 563,000.00 | 3,026 | 84,386 |
| May | 74,286,000.00 | 59,602,822.00 | 0.00 | 0.00 | 891,000.00 | 25,782 | 152,826 |
| June | 81,683,000.00 | 63,893,003.00 | 0.00 | 0.00 | 815,000.00 | 20,628 | 170,322 |
| July | 56,449,000.00 | 73,608,605.00 | 0.00 | 0.00 | 730,000.00 | 20,337 | 160,325 |
| August | 61,758,000.00 | 50,316,826.00 | 0.00 | 0.00 | 665,000.00 | 20,936 | 112,267 |
| September | 62,219,000.00 | 48,248,396.00 | 0.00 | 0.00 | 503,000.00 | 17,077 | 91,270 |
| October | 63,629,000.00 | 52,780,775.00 | 0.00 | 0.00 | 578,000.00 | 13,493 | 141,261 |
| November | 55,506,000.00 | 51,873,652.00 | 0.00 | 0.00 | 744,000.00 | 19,708 | 140,348 |
| December | 50,322,000.00 | 49,306,072.00 | 0.00 | 0.00 | 669,000.00 | 19,285 | 145,470 |
| Totals | 726,256,000.00 | 651,842,640.00 | 0.00 | 0.00 | 8,038,000.00 | \$189,777 | 1,508,237 |

If applicable, in the space below please provide a description for all un-metered water use along with amounts:
 Authorized use includes water used for construction, dust control and compaction, flushing and tank overflows, fire department use.

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

| Water Utility Plant Description | | | |
|----------------------------------|-------------------------|--|--|
| Name of the System: | RIO RICO UTILITIES INC. | | |
| ADEQ Public Water System Number: | AZ0412011 | | |
| ADWR PCC Number: | 91-000595.0000 | | |

| MAINS | | | |
|----------------|----------|---------------|----|
| Sizes (inches) | Material | Length (feet) | |
| 2.00 | NA | NA | NA |
| 3.00 | NA | NA | NA |
| 4.00 | NA | NA | NA |
| 5.00 | NA | NA | NA |
| 6.00 | DIP | 7,538 | |
| 8.00 | NA | NA | NA |
| 10.00 | NA | NA | NA |
| 12.00 | NA | NA | NA |
| NA | NA | NA | NA |
| 4" and under | Various | 325,458 | |
| Over 4" | Various | 1,478,264 | |
| NA | NA | NA | NA |
| NA | NA | NA | NA |
| NA | NA | NA | NA |

| CUSTOMER METERS | | | |
|-----------------|----------|--------------------------------|---------------------------|
| Size (inches) | Quantity | Percent over 1,000,000 gallons | Percent over 10 years old |
| 5/8 X 3/4 | 7,002 | Unknown | Unknown |
| 0.75 | 7 | Unknown | Unknown |
| 1 | 95 | Unknown | Unknown |
| 1.5 | 15 | Unknown | Unknown |
| Compound 2 | 46 | Unknown | Unknown |
| Turbine 2 | 0 | Unknown | Unknown |
| Compound 3 | 7 | Unknown | Unknown |
| Turbine 3 | 0 | Unknown | Unknown |
| Compound 4 | 3 | Unknown | Unknown |
| Turbine 5 | 0 | Unknown | Unknown |
| Compound 6 | 2 | Unknown | Unknown |
| Turbine 6 | NA | Unknown | Unknown |
| 6+ | NA | Unknown | Unknown |
| NA | NA | Unknown | Unknown |
| NA | NA | Unknown | Unknown |
| NA | NA | Unknown | Unknown |
| NA | NA | Unknown | Unknown |

| SERVICE LINES | | | |
|---------------|-------------------|----------------|----|
| Material | Percent of system | Year installed | |
| Copper | 10% | Unknown | |
| Black poly | 90% | Unknown | |
| NA | NA | NA | NA |
| NA | NA | NA | NA |
| NA | NA | NA | NA |

| BOOSTER PUMPS | | | |
|---------------|---------|----------|--|
| Horsepower | GPM | Quantity | |
| 3 | various | 2 | |
| 7.5 | various | 9 | |
| 10 | various | 3 | |
| 15 | various | 10 | |
| 20 | various | 8 | |
| 25 | various | 13 | |
| 30 | various | 8 | |
| 40 | various | 2 | |

| FIRE HYDRANTS | |
|---------------|----------|
| Type | Quantity |
| Standard * | 315 |
| Other | 0 |

| STORAGE TANKS | | | |
|--------------------|----------|----------|----------------|
| Capacity (gallons) | Material | Quantity | Year installed |
| 1,000 | Steel | 1 | Unknown |
| 0,640 | Steel | 1 | Unknown |
| 0,200 | Steel | 1 | Unknown |
| 0,150 | Steel | 1 | Unknown |
| 0,100 | Steel | 1 | Unknown |
| 0,010 | Steel | 4 | Unknown |
| NA | NA | NA | NA |

| PRESSURE/BLADDER TANKS | | | |
|------------------------|----------|----------|----------------|
| Capacity (gallons) | Material | Quantity | Year installed |
| 5,000 | Steel | 16 | Unknown |
| 2,000 | Steel | 9 | Unknown |
| 1,500 | Steel | 3 | Unknown |
| 132 | Steel | 2 | Unknown |
| 90 | Steel | 1 | Unknown |
| 53 | Steel | 1 | Unknown |
| 34 | Steel | 4 | Unknown |

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

| |
|--|
| Water Utility Plant Description (Continued) |
|--|

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

| | |
|-----------------------------|--|
| TREATMENT EQUIPMENT: | Sodium Hypochlorite System at each well site. |
| STRUCTURES: | (2) 20 x 20 wooden sheds, (6) 8 x 8 chlorination buildings at wells. |
| OTHER: | NA |

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

Use one of the following methods:

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

| | |
|--------------|-----|
| ERC | 256 |
| Method used: | (a) |

| Customer and Other Information | |
|----------------------------------|-------------------------|
| Name of the System: | RIO RICO UTILITIES INC. |
| ADEQ Public Water System Number: | AZ0412011 |
| ADWR PCC Number: | 91-000595.0000 |

| Month | Number of Customers | | | | |
|-----------|---------------------|--------------|------------|-----------------|-----------------------|
| | Single-Family | Multi-Family | Commercial | Turf/Irrigation | Other Non-Residential |
| January | 6,825 | 0 | 217 | 0 | 47 |
| February | 6,832 | 0 | 217 | 0 | 47 |
| March | 6,842 | 0 | 219 | 0 | 48 |
| April | 6,871 | 0 | 218 | 0 | 50 |
| May | 6,882 | 0 | 217 | 0 | 48 |
| June | 6,882 | 0 | 222 | 0 | 48 |
| July | 6,889 | 0 | 221 | 0 | 59 |
| August | 6,895 | 0 | 221 | 0 | 50 |
| September | 6,937 | 0 | 219 | 0 | 48 |
| October | 6,948 | 0 | 220 | 0 | 48 |
| November | 6,961 | 0 | 222 | 0 | 48 |
| December | 6,967 | 0 | 222 | 0 | 48 |

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?

If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

NA

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

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
 Utility Shutoffs / Disconnects
 12/31/21

| Utility Shutoffs / Disconnects | |
|---------------------------------------|-------------------------|
| Name of the System: | RIO RICO UTILITIES INC. |
| ADEQ Public Water System Number: | AZ0412011 |
| ADWR PCC Number: | 91-000595.0000 |

| Month | Termination without Notice R14-2-410.B | Termination with Notice R14-2-410.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):

| |
|----|
| NA |
|----|

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

| Property Taxes | |
|----------------|--|
|----------------|--|

| | |
|--|--|
| Amount of actual property taxes paid during Calendar Year 2021 was | |
|--|--|

| |
|-----------|
| \$237,174 |
|-----------|

| |
|---|
| If no property taxes paid, explain why. |
|---|

| |
|----|
| NA |
|----|

| |
|---|
| Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. |
|---|

Verification and Sworn Statement (Taxes)

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

County of (county name): Maricopa
Name (owner or official) title: Crystal Greene
Company name: Liberty Utilities (Rio Rico Water and Sewer) Corp

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

FOR THE YEAR ENDING: 12/31/21

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.

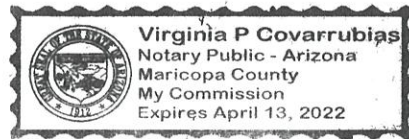
Crystal Greene
signature of owner/official
6023 298-3131
telephone no.

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

THIS 12TH DAY OF Maricopa
April 2022
(month) and (year)

MY COMMISSION EXPIRES April 13, 2022
(date)

Virginia P. Covarrubias
(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: _____
Company name: Liberty Utilities (Rio Rico Water and Sewer) Corp

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

FOR THE YEAR ENDING: 12/31/21

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 (\$)

\$4,016,811

(The amount in the box above includes

263,787.05 in sales taxes

billed or collected)

Cristal Greene
signature of owner/official

623-298-2139
telephone no.

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

Maricopa
(county name)

THIS

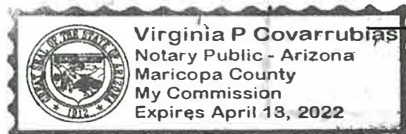
12TH

DAY OF

April 2022
(month) and (year)

MY COMMISSION EXPIRES

April 13, 2022
(date)



Virginia P. Covarrubias
(signature of notary public)

Verification and Sworn Statement (Residential Revenue)

Verification:

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

County of (county name): Maricopa
Name (owner or official) title: _____
Company name: Liberty Utilities (Rio Rico Water and Sewer) Corp

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

FOR THE YEAR ENDING: 12/31/21

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 (\$)

\$3,180,764

(The amount in the box above includes

263,787.05 in sales taxes
billed or collected)

Crystal Greene
signature of owner/official

623-298-3731

telephone no.

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

Maricopa
(county name)

THIS

12TH

DAY OF

April 2022
(month) and (year)

MY COMMISSION EXPIRES

April 13, 2022
(date)



Virginia P. Covarrubias
(signature of notary public)

Liberty Utilities (Rio Rico Water and Sewer) Corp
Annual Report
for Income Tax Statement of Certification
12/31/21

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: 0
Company name: Liberty Utilities (Rio Rico Water and Sewer) Corp

FOR THE YEAR ENDING: 12/31/21

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 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.

Cuptallegre
signature of owner/official
625-298-3939
telephone no.

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

THIS 12th DAY OF April 2022
(month) and (year)

MY COMMISSION EXPIRES April 13, 2022
(date)

Virginia P. Covarrubias
(signature of notary public)

