

<b>ANNUAL REPORT</b>
----------------------

Of

Company Name: 

Naco Water Company, LLC
-------------------------

PO Box 85160

Mailing Address:

Tucson                      AZ  
85754

**RECEIVED**

**BY EMAIL**

**April 15, 2021, 2:28 PM**

**ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION**

Docket No.: W-02860A

For the Year Ended: 

12/31/20
----------

**WATER UTILITY**

To

Arizona Corporation Commission

**Due on April 15th**

Email: [rdelafuente@azcc.gov](mailto: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:

4/15/2021
-----------

ARIZONA CORPORATION COMMISSION  
WATER UTILITY ANNUAL REPORT  
Naco Water Company, LLC  
A Class ☐ Utility

For the Calendar Year Ended: 12/31/20

Primary Address: 

PO Box 85160
City: Tucson State: Arizona Zip Code: 85754

Telephone Number: 

623-935-1100
--------------

Date of Original Organization of Utility: 

9/28/1994
-----------

Person to whom correspondence should be addressed concerning this report:

Name: 

Dorinda Chacon
----------------

  
Telephone No. : 

520-623-5172
--------------

  
Address: 

PO Box 85160
City: Tucson State: Arizona Zip Code: 85754

  
Email: 

<a href="mailto:info@southwesternutility.com">info@southwesternutility.com</a>
--

On-Site Manager  
Name: 

Mike Molina
-------------

  
Telephone No. : 

520-623-5172
--------------

  
Address: 

PO Box 85160
City: Tucson State: Arizona Zip Code: 85754

  
Email: 

<a href="mailto:info@southwesternutility.com">info@southwesternutility.com</a>
--

--

  
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: 

Limited Liability Company ("LLC")
-----------------------------------

Counties Served: 

Cochise
---------

<b>Important changes during the year</b>
--

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

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	\$198	\$0	\$0	\$198	\$0	\$198
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	4,345	0	0	4,345	0	4,345
304	Structures and Improvements	15,406	0	0	15,406	2,703	12,703
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	484,042	1,400	0	485,442	152,430	333,012
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	0	0	0	0	0	0
311	Pumping Equipment	274,196	14,967	0	289,163	262,659	26,504
320	Water Treatment Equipment	1,824	0	0	1,824	1,682	142
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	2,132	0	0	2,132	1,677	455
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	128,969	0	0	128,969	84,423	44,546
330.1	Storage Tanks	305,997	0	0	305,997	50,641	255,356
330.2	Pressure Tanks	15,471	0	0	15,471	5,547	9,924
331	Transmission and Distribution Mains	1,737,634	2,812	0	1,740,446	538,954	1,201,492
333	Services	377,167	2,579	0	379,746	159,488	220,258
334	Meters and Meter Installations	102,025	19,482	0	121,507	88,318	33,189
335	Hydrants	34,717	0	0	34,717	20,914	13,803
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	7,583	0	7,583	253	7,330
340	Office Furniture and Equipment	0	0	0	0	0	0
340.1	Computer & Software	0	0	0	0	0	0
341	Transportation Equipment	20,298	0	0	20,298	20,298	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	0	0	0	0	0	0
347	Miscellaneous Equipment	0	0	0	0	0	0
348	Other Tangible Plant	0	0	0	0	0	0
	<b>Totals</b>	<b>\$3,504,421</b>	<b>\$48,823</b>	<b>\$0</b>	<b>\$3,553,244</b>	<b>\$1,389,987</b>	<b>\$2,163,257</b>

Naco Water Company, LLC  
Annual Report  
Depreciation Expense for the Current Year (Water)  
12/31/20

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	\$198	\$0	\$0	\$198	\$198	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	4,345	0	0	4,345	4,345	0	0.00%	0
304	Structures and Improvements	15,406	0	0	15,406	0	15,406	3.33%	513
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	484,042	1,400	0	485,442	0	485,442	3.33%	16,142
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	0	0	0	0	0	0	0.00%	0
311	Pumping Equipment	274,196	14,967	0	289,163	252,286	36,877	12.50%	5,334
320	Water Treatment Equipment	1,824	0	0	1,824	0	1,824	3.33%	61
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	2,132	0	0	2,132	1,223	909	20.00%	304
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	128,969	0	0	128,969	0	128,969	2.22%	2,863
330.1	Storage Tanks	305,997	0	0	305,997	0	305,997	2.22%	6,793
330.2	Pressure Tanks	15,471	0	0	15,471	0	15,471	5.00%	774
331	Transmission and Distribution Mains	1,737,634	2,812	0	1,740,446	0	1,740,446	2.00%	34,781
333	Services	377,167	2,579	0	379,746	0	379,746	3.33%	12,603
334	Meters and Meter Installations	102,025	19,482	0	121,507	28,061	93,446	8.33%	6,973
335	Hydrants	34,717	0	0	34,717	0	34,717	2.00%	694
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	7,583	0	7,583	0	7,583	6.67%	252
340	Office Furniture and Equipment	0	0	0	0	0	0	0.00%	0
340.1	Computer & Software	0	0	0	0	0	0	0.00%	0
341	Transportation Equipment	20,298	0	0	20,298	20,298	0	20.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	0	0	0	0	0	0	0.00%	0
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	0	0	0	0	0	0	0.00%	0
347	Miscellaneous Equipment	0	0	0	0	0	0	0.00%	0
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	<b>Subtotal</b>	<b>\$3,504,421</b>	<b>\$48,823</b>	<b>\$0</b>	<b>\$3,553,244</b>	<b>\$306,411</b>	<b>\$3,246,833</b>		<b>\$88,086</b>

Contribution(s) in Aid of Construction (Gross)	\$1,231,035
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<b>\$1,231,035</b>
Times: Proposed Amortization Rate	2.05%
<b>Amortization of CIAC</b>	<b>\$25,236</b>

Less: Amortization of CIAC **\$25,236**

**DEPRECIATION EXPENSE \$62,850**

Naco Water Company, LLC  
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.	<b>Current and Accrued Assets</b>			
131	Cash		\$167,975	\$129,807
134	Working Funds		0	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		7,916	25,104
146	Notes Receivable from Associated Companies		0	0
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		63,916	67,122
	<b>Total Current and Accrued Assets</b>		<b>\$239,807</b>	<b>\$222,033</b>
Account No.	<b>Fixed Assets</b>			
101	Utility Plant in Service*		\$3,504,421	\$3,553,244
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	2,448
108	Accumulated Depreciation (enter as negative)*		(1,301,901)	(1,389,987)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	<b>Total Fixed Assets</b>		<b>\$2,202,520</b>	<b>\$2,165,705</b>
	<b>Total Assets</b>		<b>\$2,442,327</b>	<b>\$2,387,738</b>

\*Note these items feed automatically from AR3 UPIS Page 4

Naco Water Company, LLC  
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		\$894	\$1,663
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		15,508	16,762
236	Accrued Taxes		8,711	9,216
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		11	53
	<b>Total Current Liabilities</b>		<b>\$25,124</b>	<b>\$27,694</b>
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$795,339	\$763,723
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		71,048	70,483
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		1,231,035	1,231,035
272	Less: Amortization of Contributions		(202,639)	(227,875)
281	Accumulated Deferred Income Tax		94,560	91,833
	<b>Total Deferred Credits</b>		<b>\$1,194,004</b>	<b>\$1,165,476</b>
	<b>Total Liabilities</b>		<b>\$2,014,467</b>	<b>\$1,956,893</b>
	Capital Accounts			
201	Common Stock Issued		\$0	\$0
211	Other Paid-In Capital		204,824	204,824
215	Retained Earnings		223,036	226,021
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	<b>Total Capital</b>		<b>\$427,860</b>	<b>\$430,845</b>
	<b>Total Liabilities and Capital</b>		<b>\$2,442,327</b>	<b>\$2,387,738</b>

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

Naco Water Company, LLC  
Annual Report  
Water Comparative Income Statement  
12/31/20

<b>Water Comparative Income Statement</b>			
Account No.	Calendar Year	Current Year 01/01/2020 - 12/31/2020	Last Year 01/01/2019 - 12/31/2019
	<b>Operating Revenue</b>		
461	Metered Water Revenue	\$295,218	\$277,688
460	Unmetered Water Revenue	0	0
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	2,429	4,357
474	Other Water Revenue	0	0
	<b>Total Revenues</b>	<b>\$297,647</b>	<b>\$282,045</b>
	<b>Operating Expenses</b>		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	0	0
615	Purchased Power	17,287	13,778
618	Chemicals	949	1,011
620	Materials and Supplies	0	0
620.1	Repairs and Maintenance	9,154	2,258
620.2	Office Supplies and Expense	2,472	2,050
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	1,940
632	Contractual Services - Accounting	4,412	7,099
633	Contractual Services - Legal	4,290	2,494
634	Contractual Services - Management Fees	97,725	98,240
635	Contractual Services - Water Testing	2,071	3,330
636	Contractual Services - Other	39,611	21,728
640	Rents	0	0
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	9,027	12,062
657	Insurance - General Liability	2,720	1,532
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	0	0
670	Bad Debt Expense	2,136	0
675	Miscellaneous Expense	1,833	1,377
403	Depreciation Expense (From Schedule AR4)	62,850	75,811
408	Taxes Other Than Income	0	0
408.11	Property Taxes	14,323	14,607
409	Income Taxes	(5,296)	(6,835)
427.1	Customer Security Deposit Interest	296	269
	<b>Total Operating Expenses</b>	<b>\$265,860</b>	<b>\$252,751</b>
	<b>Operating Income / (Loss)</b>	<b>\$31,787</b>	<b>\$29,294</b>
	<b>Other Income / (Expense)</b>		
419	Interest and Dividend Income	\$661	\$2,543
421	Non-Utility Income	1,021	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	(30,484)	(31,569)
	<b>Total Other Income / (Expense)</b>	<b>(\$28,802)</b>	<b>(\$29,026)</b>
	<b>Net Income / (Loss)</b>	<b>\$2,985</b>	<b>\$268</b>



**Full time equivalent employees**

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager			unable to	0.0
Engineering Staff			determine	0.0
System Operator(s)			without	0.0
Meter reader			significant	0.0
Customer Service			analysis	0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
<b>Total</b>	0.0	0.0	0.0	0.0

Naco Water Company, LLC  
Annual Report  
Supplemental Financial Data (Long-Term Debt)  
12/31/20

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	4/1/2008			
Source of Loan	WIFA			
ACC Decision No.	69393			
Reason for Loan	Improvements			
Dollar Amt. Issued	\$1,160,000			
Amount Outstanding	\$763,723			
Date of Maturity	1/1/2041			
Interest Rate	3.00%			
Current Year Interest	\$30,484			
Current Year Principal	\$31,616			

Meter Deposit Balance at Test Year End:	\$16,669
---	----------

Meter Deposits Refunded During the Test Year:	\$242
---	-------

**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.**

Naco Water Company, LLC  
Annual Report  
Well and Water Usage  
12/31/20

[illegible]

Name of system water delivered to:	
ADWR PCC Number:	NA
Source of water delivered to another system	

Name of system water received from:	NACO WATER CO	
ADWR PCC Number:		91-000043.0000
Source of water received	Ground Water	
Well registry 55# (55-XXXXXX):	55-551849 and 55-575700	

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 Expense6	Purchased Power (kWh)7
January	259,540.00	176,340.00	0.00	123,200.00	10,000.00	\$714	7,523
February	193,980.00	132,370.00	0.00	25,600.00	0.00	335	3,235
March	260,940.00	392,210.00	0.00	107,250.00	0.00	240	2,281
April	199,390.00	182,120.00	0.00	34,650.00	0.00	221	1,785
May	246,110.00	290,090.00	0.00	88,200.00	0.00	345	3,093
June	222,010.00	248,760.00	0.00	75,600.00	0.00	309	3,478
July	243,080.00	345,690.00	0.00	106,050.00	0.00	318	2,881
August	223,930.00	271,950.00	0.00	118,000.00	0.00	375	3,475
September	251,610.00	419,508.00	0.00	271,400.00	0.00	342	3,113

October	199,700.00	282,710.00	0.00	138,400.00	0.00	330	3,015
November	76,820.00	257,810.00	0.00	207,300.00	0.00	124	420
December	245,320.00	371,320.00	0.00	126,000.00	0.00	247	1,901
<b>Totals</b>	<b>2,622,430.00</b>	<b>3,370,878.00</b>	<b>0.00</b>	<b>1,421,650.00</b>	<b>10,000.00</b>	<b>\$3,899</b>	<b>36,200</b>

**If applicable, in the space below please provide a description for all un-metered water use along with amounts:**

Fire department used 10,000 gallons.

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.

Naco Water Company, LLC  
Annual Report  
Well and Water Usage  
12/31/20

[illegible]

Name of system water delivered to:	NACO WATER CO LLC-BISBEE	
ADWR PCC Number:	91-000075.0000	
Source of water delivered to another system	Ground Water	

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

Month	Water withdrawn (gallons) <sup>1</sup>	Water sold (gallons) <sup>2</sup>	Water delivered (sold) to other systems (gallons) <sup>3</sup>	Water received (purchased) from other systems (gallons) <sup>4</sup>	Estimated authorized use (gallons) <sup>5</sup>	Purchased Power Expense <sup>6</sup>	Purchased Power (kWh) <sup>7</sup>
January	2,059,400.00	872,405.00	123,200.00	0.00	0.00	\$1,777	12,995
February	1,935,000.00	748,474.00	25,600.00	0.00	0.00	1,180	6,105
March	3,704,100.00	1,571,573.00	107,250.00	0.00	0.00	1,201	5,819
April	2,113,700.00	1,002,213.00	34,650.00	0.00	0.00	1,097	5,408
May	2,430,000.00	1,385,294.00	88,200.00	0.00	0.00	1,084	4,097
June	2,069,663.00	1,623,904.00	75,600.00	0.00	0.00	1,045	5,214
July	2,334,207.00	1,768,530.00	106,050.00	0.00	0.00	1,069	4,581
August	1,827,131.00	1,396,455.00	118,000.00	0.00	0.00	1,077	4,512
September	2,459,794.00	1,745,413.00	271,400.00	0.00	0.00	1,040	4,205
October	1,809,263.00	1,317,900.00	138,400.00	0.00	10,000.00	1,029	4,085
November	1,964,245.00	1,512,780.00	207,300.00	0.00	0.00	915	3,874

December	2,020,528.00	2,285,730.00	126,000.00	0.00	0.00	876	3,626
<b>Totals</b>	<b>26,727,031.00</b>	<b>17,230,671.00</b>	<b>1,421,650.00</b>	<b>0.00</b>	<b>10,000.00</b>	<b>\$13,390</b>	<b>64,521</b>

**If applicable, in the space below please provide a description for all un-metered water use along with amounts:**

Flushing = 10,000 gallons.

**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.

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.

#VALUE!

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:	NACO WATER CO LLC-BISBEE		
ADEQ Public Water System Number:	AZ0402112		
ADWR PCC Number:	91-000075.0000		

---

**MAINS**

[illegible]

## CUSTOMER METERS

[illegible]

## SERVICE LINES

SERVICE LINES		
Material	Percent of system	Year installed
PVC	20%	1968
Copper	20%	through
Black poly	60%	1999

## BOOSTER PUMPS

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	25	2

## FIRE HYDRANTS

FIRE HYDRANTS	
Type	Quantity
Standard *	0
Other	0

## STORAGE TANKS

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
22,800	Steel	1	1999

## PRESSURE/BLADDER TANKS

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
1,700	Steel	1	1999

\* 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.

<b>Water Utility Plant Description (Continued)</b>
--

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

<b>TREATMENT EQUIPMENT:</b>	Chlorinator
<b>STRUCTURES:</b>	1,100 feet of 6 foot chain link fence
<b>OTHER:</b>	N/A

**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	170
Method used:	(a)



## Water Utility Plant Description

Name of the System:	NACO WATER CO		
ADEQ Public Water System Number:	AZ0402024		
ADWR PCC Number:	91-000043.0000		

---

**MAINS**

[illegible]

## SERVICE LINES

SERVICE LINES		
Material	Percent of system	Year installed
PVC	20%	1968
Copper	20%	through
Black poly	60%	1999

## BOOSTER PUMPS

BOOSTER PUMPS		
Horsepower	GPM	Quantity
5	25	3
7.5	150	1
25	500	2

## STORAGE TANKS

STORAGE TANKS				
Capacity (gallons)	Material		Quantity	Year installed
10,000		Steel	1	<2000
20,000		Steel	1	2012
55,000		Steel	1	<2000
101,500		Steel	1	2012

## CUSTOMER METERS

[illegible]

## FIRE HYDRANTS

FIRE HYDRANTS	
Type	Quantity
Standard *	18
Other	0

## PRESSURE/BLADDER TANKS

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
85	Steel/rubber	4	2014
2,100	Steel	1	2012
4,600	Steel	1	1999

\* 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.

<b>TREATMENT EQUIPMENT:</b>	Two chlorinators
<b>STRUCTURES:</b>	1700 feet of 6 foot chain link fence, 6 x 6 foot chlorine shed
<b>OTHER:</b>	altitude valve in 4 x 6 foot vault

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 days.
- (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	176
Method used:	(a)

Customer and Other Information		
Name of the System:	NACO WATER CO LLC-BISBEE	
ADEQ Public Water System Number:	AZ0402112	
ADWR PCC Number:	91-000075.0000	

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	53	0	1	0	0
February	53	0	1	0	0
March	54	0	1	0	0
April	54	0	1	0	0
May	55	0	1	0	0
June	55	0	1	0	0
July	55	0	1	0	0
August	55	0	1	0	0
September	54	0	1	0	0
October	56	0	1	0	0
November	55	0	1	0	0
December	54	0	1	0	0

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.

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

Customer and Other Information	
Name of the System:	NACO WATER CO
ADEQ Public Water System Number:	AZ0402024
ADWR PCC Number:	91-000043.0000

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	240	0	21	0	0
February	236	0	21	0	0
March	238	0	21	0	0
April	239	0	21	0	0
May	240	0	21	0	0
June	244	0	21	0	0
July	246	0	21	0	0
August	246	0	21	0	0
September	246	0	21	0	0
October	248	0	21	0	0
November	249	0	21	0	0
December	246	0	21	0	0

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.

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

Naco Water Company, LLC  
**Annual Report**  
 Utility Shutoffs / Disconnects  
 12/31/20

Utility Shutoffs / Disconnects		
Name of the System:	NACO WATER CO LLC-BISBEE	
ADEQ Public Water System Number:	AZ0402112	
ADWR PCC Number:	91-000075.0000	

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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**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.

Naco Water Company, LLC  
**Annual Report**  
 Utility Shutoffs / Disconnects  
 12/31/20

Utility Shutoffs / Disconnects		
Name of the System:	NACO WATER CO	
ADEQ Public Water System Number:		AZ0402024
ADWR PCC Number:		91-000043.0000

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	5	0
February	0	3	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	1	0
November	0	1	0
December	0	0	0
<b>Total</b>	<b>0</b>	<b>10</b>	<b>0</b>

**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.

Naco Water Company, LLC  
Annual Report  
Property Taxes  
12/31/20

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

Amount of actual property taxes paid during Calendar Year 2019 was
--

\$14,465
----------

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

N/A
-----

<b>Instructions:</b> 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: Bryan Thomas, CFO  
Company name: Naco Water Company, LLC

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.

BTE

signature of owner/official

623-935-1100

telephone no.

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

THIS

13<sup>th</sup>

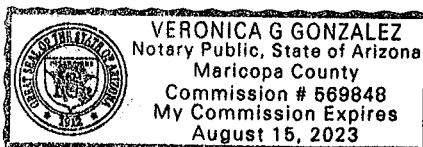
DAY OF

Maricopa

(county name)

April 2021

(month) and (year)



MY COMMISSION EXPIRES

August 15, 2023  
(date)

Veronica G. Gonzalez  
(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:

Bryan Thomas, CFO

Company name:

Naco Water Company, LLC

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 (\$)

\$315,886

(The amount in the box above includes

\$18,239

in sales taxes  
billed or collected)

B.T.

signature of owner/official

623-935-1100

telephone no.

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

Maricopa

(county name)

THIS

13<sup>th</sup>

DAY OF

Apr. 2021

(month) and (year)

MY COMMISSION EXPIRES

August 15, 2023  
(date)



Veronica G. Gonzalez  
(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:

Bryan Thomas, CFO

Company name:

Naco Water Company, LLC

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 (\$)

\$281,221

(The amount in the box above includes

\$16,237

in sales taxes  
billed or collected)

B.T.

signature of owner/official

623-935-1100

telephone no.

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

Maricopa

(county name)

THIS

13<sup>th</sup>

DAY OF

April 2021  
(month) and (year)

MY COMMISSION EXPIRES

August 15, 2023  
(date)



Veronica G. Gonzalez  
(signature of notary public)

Gross-up Sharing 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:

Bryan Thomas, CFO

Company name:

Naco Water Company, LLC

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.

BjT

signature of owner/official

623-935-1100

telephone no.

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

Maricopa

(county name)

THIS

13<sup>th</sup>

DAY OF

April 2021

(month) and (year)

MY COMMISSION EXPIRES

August 15, 2023

(date)



Veronica G Gonzalez  
(signature of notary public)